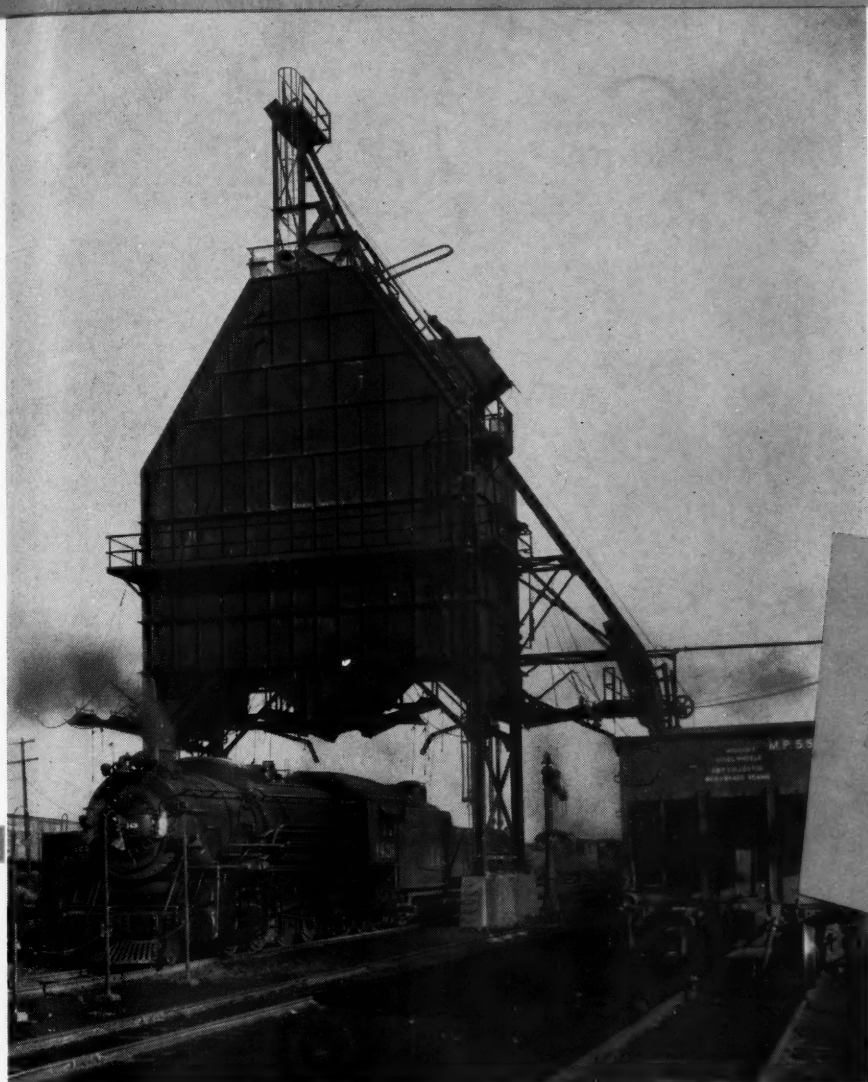


# Railway Age

MAY 4, 1940

*Founded in 1856*

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IRON**

This big coaling station, erected by the Missouri Pacific Railroad at Kansas City, Mo., is another in which the engineers have used wrought iron for parts exposed to corrosion. It is the largest single unit that the road has built.

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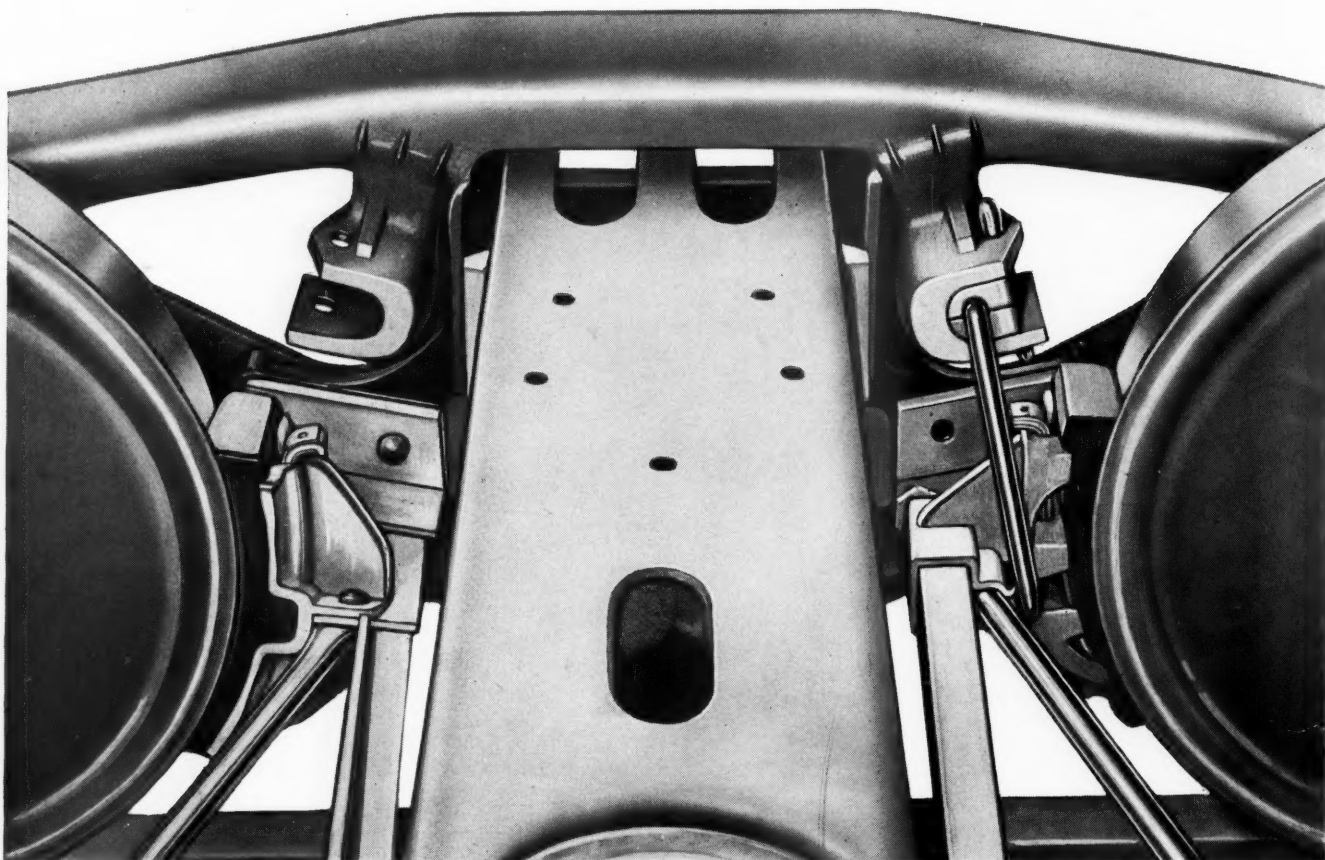
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### **UNIT TRUCK CORPORATION**

**140 CEDAR STREET**

**NEW YORK, N. Y.**

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# How Trucks and Railroads Can Help Each Other and the Public—IV

In the three preceding issues in this space have been discussed some of the difficulties to be overcome before genuine *economic competition* between railroad movement and truck movement of freight can be substituted for the prevailing *uneconomic rivalry* between companies primarily concerned with railroad transportation, on the one hand, and, on the other, those interests who conceive it to be to their interest to enable trucks to capture as much freight traffic as possible. The viewpoint of this discussion has been that both private corporate policy and regulatory policy *ought* to be concerned primarily with reducing the cost and improving the quality of transportation to the people of the United States; and that such a goal requires that a framework of regulatory and private corporate policy be established which will encourage the selection of the method for each transportation task on the basis of comparative economy. Present chaotic conditions—for which poorly-thought-out or even malignant political intervention is largely responsible—do not conduce to the division of traffic on a basis calculated to conserve the expenditure of labor and capital.

There are many knotty regulatory and legal handicaps to be surmounted before the railroads can turn over to trucks the movements in which economy is in the trucks' favor. Nevertheless, the effort should be made to overcome these handicaps—because it is no more in the public interest for railroads to persist in rail handling of traffic in the areas where truck handling would be more economical than it is for trucks to persist in “picking-and-choosing” long-haul traffic to which the railroads are entitled by their superior economy.

Aside from the legal and regulatory problems to be solved in connection with the greater use of trucks in substitution for plant-siding switching, the use of trucks by railroads in purely terminal operations involves no serious legal problems, since such operations, when confined within a terminal area, do not require certificates of convenience and necessity. The use of trucks by the railroads to serve smaller way stations (permitting their abandonment) and the use of trucks for collection and distribution over zones of a considerable radius in connection with fast merchandise train service, however, do involve the securing of certificates of convenience and necessity. And the railroads have encountered a serious obstacle in obtaining such certificates.

The Interstate Commerce Commission in granting truck operating certificates to the railroads or their affiliates has restricted them by imposing the five conditions first set out in the Kansas City Southern case decided by Division 5 in the latter part of 1938. These conditions stipulate that the highway service performed by the railroad or its affiliate shall be limited to that which is auxiliary to or supplemental of the railroad service. That the highway operations shall not serve interchange traffic at any point not a station on the line of the railroad. That shipments transported in the highway service shall be limited to those which move under through bills of lading covering either prior or subsequent movement by rail. That all contractual arrangements between the trucking agency and the railroad shall be reported to the commission. And that the authority granted shall be subject to such other conditions as the commission may find necessary to impose in order to insure that the trucking operations are supplementary to the rail service.

### Making It Hard for RRs to Use Trucks

The third of the foregoing conditions—that stipulating that freight handled by highway must have a prior or subsequent movement by rail—has become quite troublesome. Experience seems to have borne out the prediction of Chairman Eastman's concurring expression in the K. C. S. case wherein he spoke of his fear that this condition “may stand in the way of the development of maximum efficiency in the co-ordinated service.” He went on to explain that there may be as much need for the substitution of trucking service for way freight service where there is no prior or subsequent haul by rail, as where there is such a haul. Complaint about this condition has recently come formally before the commission in a petition of the Chicago, Rock Island & Pacific for relief from it.

The Rock Island petition calls the condition “unworkable and impracticable” in that it precludes a merger of the routes involved with those of an affiliate to form “an economical and efficient system of motor routes.” Specifically it cites the St. Joseph, Mo.-Topeka, Kan., situation as an example. Under the restriction it cannot handle by highway shipments originating in St. Joseph and destined for Topeka, leaving the St. Joseph shipper dependent upon local rail serv-

ice or subject to the delay involved in a maneuver whereby the freight would be made eligible for the truck haul by giving it a short ride on the railroad.

### **Are Jobs Protected in the Long Run by Uneconomical Restrictions?**

It is contended also that the restriction prevents the free interchange of traffic with motor carriers; and that it operates as a discrimination against the Rock Island and local points on its line. It is understood that the K. C. S., the Texas & Pacific and the Seaboard Air Line, among others, have found the restriction troublesome. Opposed to relieving railroad trucking operations from these restrictions is the Railway Labor Executives Association, which has contended that such relief would result in increasing unemployment among railwaymen. Nevertheless, it would seem that a minimum modification of the conditions should contemplate a revision to permit the railroads to substitute highway services for local rail service. As the situation now stands, a railroad would be powerless to prevent the loss of its local business by handling it in substitute trucking service, thereby meeting the competition of the speedier-than-rail service which is offered by independent truckers for short-hauls.

Assuming, however, that these difficulties will eventually be surmounted and that the railroads will make an increasing use of trucks in substitution for way-freight trains, the question again arises as to who is going to operate these vehicles—the railroads themselves through subsidiaries, independent contractors or such railroad affiliates as the Express Agency? All three methods should, and undoubtedly will, be used—only further extended experience will demonstrate which of the three methods shall ultimately prevail.

In thus envisioning a great expansion in the use of trucks as an adjunct to railroad service, what is to become of the independent truckman? Is he to be relegated merely to the position of a contractor operating in behalf of the railroads or is he to disappear from the scene entirely? We do not believe that either eventuality is likely to occur. In the first place, there are several thousand communities which the truck spokesmen assert are served only by highway. Certainly the serving of these communities represents a fair field for the independent truckman, with, of course, the right to sell out to a railroad if he feels that it would be to his advantage to do so and if the regulatory authorities believe that such sale would foster the public interest.

### **A Large Field for the Independent Truckman**

There are, moreover, innumerable communities in the country which are connected by rail only via circuitous routes. In providing freight service between such communities, the independent truckman frequently affords great savings both in time and in money over

rail service and his continuance in such service fulfills a genuine public need. Moreover, the independent truckman, particularly the contract operator, is often able to give a more intimate and flexible service to shippers than the railroads can. While actual costs of movement may be cheaper by rail, there may still be many little conveniences and economies arising from intimate acquaintance with the shipper's needs which will serve to offset the mass-transportation economies of the railroads and thus continue to give independent truck operators a large field for profitable operation. Moreover, unless and until the railroads solve, better than they have yet solved it, the problem of handling shipments with no more packing than is necessary for shipment by truck, the independent truckman is going to have a large field for profitable operation, even when his actual rates are considerably higher than those of the railroads.

But, for the movement of the great volume of long-distance traffic of the run-of-the-mill variety, especially between large centers of population, we believe that the independent truck operator is going to have to kiss this traffic goodbye. There was never any economic justification for his having secured this business in the first place. Only a freight rate structure adapted to the circumstances of a by-gone day, and lack of alertness by both the railroads and the regulatory authorities, ever permitted the truck to get into this movement. Its continuation in such movement is an anomaly, and is clearly just as contrary to the public interest in efficient and economical transportation as is the perpetuation of anachronistic and costly rail movements in many short-haul services. **The movement of small quantities of freight over short distances by rail and the movement of small quantities over long distances by truck are equally wasteful both to the transportation industry itself and to the public which foots the bill. Both such wasteful practices should go.**

### **Joint Rail-Truck Rates?**

There remains to be considered the anti-trust suit which has been initiated against the railroads for their failure to make joint rates with truck operators. The railroads have agreed to abandon their concerted action against such rates—although it is still a fact that the regulatory authorities have forbidden the railroads to invade each other's territories with affiliated trucks, and that it is no more proper to practice such invasion by making joint rates with independent truck lines which serve territories reached by other railroads than it would be to practice such invasion with railroad-owned trucks. We do not, of course, know what the ultimate outcome of this case may be. Perhaps a proper solution might be to permit the making of joint rates where no invasion of the territory of other railroads was involved—leaving in the hands of the regulatory authorities the decision as to which proposed joint rates constitute such invasion and those which do not.



Proponents of joint rail-motor rates contend that the railroads might thereby get some traffic which is now moving by highway anyway. In other words the long-distance truck lines are there anyway, and often interchanging with each other. If any railroad could substitute itself for one of the participating motor carriers on any of these through routes, it would be that much ahead of the game; and no other railroad would suffer. Whether or not regulatory authorities with power to prescribe joint rail-motor rates would require arrangements which might invade the territory of other railroads would be something to think about. The provision of law granting such authority might not be

written to prevent its exercise in cases where the territory of other railroads were invaded; it would perhaps give the commission authority to prescribe joint rates wherever the "public interest" would thereby be served. Meantime there is nothing to prevent a survey of the situation to see wherein joint rates might be worked out to the advantage of the railroads on a voluntary basis.

### Competition Should Be Increased, Not Diminished

In this editorial discussion of competition between railroad and highway movement of freight *we have not*

## "Protecting Revenues" vs. Ending a Bad Trend

The dilemma of the railroads in making rates to meet their competition lies in the fact that they can't reduce rates to recapture traffic without losing a considerable amount of money on similar traffic which is still moving by rail. It takes courage to reduce prices on business you have already got, in order to take a chance on bringing in new business. To many, the situation looks like the one of the bird in hand being worth two in the bush—better the remunerative rates on traffic now moving than less remunerative rates, merely in the hope that enough traffic will be regained to offset the certain loss.

This would be very good reasoning—if the competitive traffic the railroads still are moving could be looked upon as a bird in hand. But isn't this competitive business more out-of-hand than in hand? As the I. C. C. Statement No. 3951 shows, there were 23 million tons of freight available for movement in 1929 (compared with 1928) which were lost to competition and for other causes; and in 1938 the lost tonnage was 213 million—or 9 times as much as in 1929. And the tonnage is still slipping away (as is shown by current I. C. I. loadings running under those of 1939, despite a considerably higher level of general business activity).

Not all of this lost business is going to the trucks, of course, but a substantial part of it undoubtedly is. The increase in truck loadings this year suggests very strongly (what every informed person knows to be a fact)—that it isn't only I. C. I. the trucks are chiseling away, but probably even more C. I.

If the bird in hand could be counted on to stay in hand, it would be worth making some sacrifices to keep him. But let's examine the status of this bird a little more closely. Suppose we designate as *a* the railroad tonnage which was vulnerable to competition in 1928—and the competitors' tonnage vulnerable to recovery by the railroads in that year as *b*. We know from the I. C. C. statement that there was a net loss of tonnage by the railroads of 23,000,000 in 1929 compared with 1928 (i. e., tonnage produced which did not move by rail). So, the railroad situation in 1929, as far as having traffic which competitors could attack, was *a* — 23,000,000 tons and the competitors' situation was *b* + 23,000,000 tons. In subsequent years the

values of *a* and *b* have been changed as follows, as shown by I. C. C. statement No. 3951:

	R.R. Traffic Vulnerable to Competition	Competitors' Traffic Subject to Recovery by R.R.s*
	<i>a</i> tons	<i>b</i> tons
1929		
1930	<i>a</i> — 32,000,000 "	<i>b</i> + 32,000,000 "
1931	<i>a</i> — 57,000,000 "	<i>b</i> + 57,000,000 "
1932	<i>a</i> — 97,000,000 "	<i>b</i> + 97,000,000 "
1933	<i>a</i> —104,000,000 "	<i>b</i> +104,000,000 "
1934	<i>a</i> —103,000,000 "	<i>b</i> +103,000,000 "
1935	<i>a</i> —133,000,000 "	<i>b</i> +133,000,000 "
1936	<i>a</i> —168,000,000 "	<i>b</i> +168,000,000 "
1937	<i>a</i> —183,000,000 "	<i>b</i> +183,000,000 "
1938	<i>a</i> —213,000,000 "	<i>b</i> +213,000,000 "

\* This traffic, having all been handled by the railroads at one time, is presumably recoverable, to the extent that the roads can offer rates and service to re-attract it—that part excepted, of course, which has been "de-centralized" so that it doesn't move at all. And even "de-centralization" can eventually be counteracted by attractive service and rates.

Is it not evident from the above that the time must eventually come (if it has not already arrived) when the *a* situation diminishes until it is a much less important factor in potential railroad net earnings than the possibilities afforded by the *b* situation? Widespread rate reductions in the *a* situation, to prevent the further loss of traffic, would have cost the railroads real money in 1929. It would cost them far less today, because there is less *a* traffic on the railroads which would have to suffer a reduction. And meantime *b* has become bigger and bigger, and hence more worth going out after.

Ten years or so ago when passenger traffic was falling away from the railroads in Niagara volume, there were still many passenger men who sincerely believed that the roads had more to gain from the business they still had at 3.6 cents a mile than was to be had by rate reductions to stop the cascading of traffic away from the railroads. We don't know of many passenger men who feel that way about it now. In fact, most of them that we have talked to, now believe that it would have been better for the roads if they had dropped their fares several years before they did so. It is usually easier and cheaper to hold business than it is to win it back after it has left.

Trends are what make or break a business—and there is scarcely any temporary loss which is not worth taking if, by its means, a disastrous trend can be killed, and a favorable trend substituted in its place.

*advocated any mitigation of such competition but rather that it be intensified*—not, however, in the political arena, but in the field of comparative economy. **To the end that the comparative economy of rail and highway movement may be fairly tested, it is indispensable that both forms of transportation be placed upon an exact parity as to self-support, taxation and regulation.** Mr. Eastman's proposal that truck transportation receive the benefit of the use of a roadway provided in large part by general taxation, if it were adopted as a settled policy of government, would make it impossible for traffic to divide among railroads and trucks on a basis of their relative economy, unless and until a comparable subvention were given to the railways.

Competition which will permit the economically superior service to supplant the economically inferior is in the direction of savings to the public in their transportation costs. The kind of competition which we have now—based to a large degree upon a hit-or-miss basis of fees for truck use of the highways, upon trucks "picking-and-choosing" traffic which could be moved with greater economy by rail, and upon the persistence of rail handling in short-haul where trucks are demonstrably more economical—is not promoting economy, but is destroying it.

We do not believe that interests identified with railroad movement will suffer by relinquishing to the trucks the operations which the trucks can handle more economically, because these costly short-haul and terminal operations are the "old man of the sea" on the backs of the railroads. Liberate line-haul by rail of the burden of supporting unduly costly small-quantity and short-haul operations and the railroads can make rates for line-haul movement which their rivals cannot even approach. Such a development should assure to the railroads an ample and growing traffic, to provide job security for all railroad employees and flourishing markets for the purveyors of railway equipment and materials.

#### **Get Rich by Serving the Public Better or by Mulcting Them?**

The obverse of this picture is that, while the trucks would lose much of their long-haul movement of freight to the superior economy of the railroads, they would offset and maybe more than offset that loss by an ever-expanding use of such vehicles in the area of their demonstrable superiority. Under a regime where the economical agency would be encouraged to supplant the uneconomical, both railroad and trucking organizations would work under the constant incentive to improve the economy of their operations in order to enlarge their sphere. And the public would be the beneficiary of this unrelenting effort to bring down transportation costs.

It will be observed that the *Railway Age* is here expounding old-fashioned economic doctrine—that the

way to greater wealth is the constant lowering of the costs of producing what one has to sell, and passing the savings on to the public so that their patronage may be increased.

The conflict which persists between the railroads and truck interests has no justifiable reason for existence—and continues solely because some people prefer to advance their economic interests by conniving with politicians for special favors at the expense of others, rather than by honest effort to produce ever-more-economical products and by promoting their use in the areas where they will add to the national income, instead of contributing to national economic waste.

## **Railway Traffic and Employment**

Numerous plans for increasing employment, such as reducing hours of work per day while maintaining daily pay, are advanced; but the constant experience of the railways shows that the volume of their employment is determined by the amount of traffic and gross earnings they have and what their wage-scales are.

In the first quarter of 1940 the average number of railway employees was 990,161. This was about 50,000 larger than in the first quarter of 1938 or 1939. The increase was plainly due to increase of freight business. Total car loadings were 7,158,681 in the first quarter of 1938; 7,548,251 in the first quarter of 1939, and 8,164,844 in the first quarter of 1940.

Allowing for seasonal variations, the large increase in loadings that began last September reached its peak in December. During January, February and March there was a more-than-seasonal decline, car loadings being 71 per cent of the 1925-1929 average in January and less than 65 per cent in March. In consequence, contrary to what occurred in 1939, the number of employees did not increase after January, being 989,233 in January and 988,229 in March.

As the trend of freight loadings is the best single indication of the trend of general business, it may be significant that there has been within recent weeks no further more-than-seasonal decline in loadings. In the first three weeks of April they were 65.2 per cent of the 1925-1929 average. In April they also show marked improvement as compared with April, 1939. In January they were 12.3 per cent larger than in 1939; in February, 7.1 per cent larger; in March, 4.5 per cent larger and in April almost 13 per cent larger.

The number of railway employees in the first quarter of 1940 was 595,905 less than in the first quarter of 1929; 537,458 less than in the first quarter of 1930 and even 92,072 less than in the first quarter of 1932. All experience shows that the only way to cause the railways to increase their employees is to make it practicable for them to pay more of them.





Chicago & North Western 50-Ton Box Cars Built by Mt. Vernon

## Mt. Vernon Builds 50-Ton Box Cars for the North Western

Three hundred, now under construction, have large cubic capacity—  
Tare weight reduced 3,270 lb. per car by use of high-tensile steels

**T**O increase its inventory of modern freight equipment adapted for the safe and economical handling of shipments by rail at high speed, the Chicago & North Western ordered a few months ago three hundred 50-ton box cars which are now being constructed by the Mt. Vernon Car Manufacturing Company, Mt. Vernon, Ill. These cars are notable for their large size, the use of low-alloy high-tensile steels to effect a weight saving of 3,270 lb. per car, the provision of trucks designed for smooth riding at high speeds and the use of car specialties which have shown desirable performance characteristics under the arduous conditions of road service.

The large capacity of the new North Western box cars is secured by designing them with inside dimensions of 50 ft. 6 in. long by 9 ft. 2 in. wide by 10 ft. 2 in. high, as shown in one of the tables, thus making 4,826

cu. ft. per car available for revenue loading. Low-alloy, high-tensile steels are used only in the car underframe, which is made primarily of U S S Man-Ten steel, and the side sheathing, which is Great Lakes Ductiloy. This somewhat limited use of alloy steels, however, is estimated to effect a saving of 1,714 lb. in the underframe, 1,517 lb. in the superstructure frame and 39 lb. in mis-

### General Dimensions and Weight of New North Western 50-Ton Box Cars

Length over striking castings .....	51 ft. 8½ in.
Length inside end lining .....	50 ft. 6 in.
Length over steel ends at top .....	50 ft. 8 in.
Truck center spacing .....	40 ft. 8½ in.
Truck wheel base .....	5 ft. 6 in.
Height top of rail to top of running boards .....	14 ft. 11 in.
Height at eaves .....	14 ft. 1 in.
Height inside clear .....	10 ft. 5 in.
Height door opening clear .....	9 ft. 9¾ in.
Width of door opening clear .....	6 ft.
Width over side sills .....	9 ft. 9¾ in.
Width inside lining .....	9 ft. 2 in.
Extreme width .....	10 ft. 8 in.
Cubic capacity .....	4,826 cu. ft.
Light weight .....	49,800 lb.

cellaneous items, making a total saving in car weight of 3,270 lb. The light weight of the car, as built, is 49,800 lb., which makes the load limit 119,200 lb. on 5½-in. by 10-in. journals. These cars are equipped with Barber stabilized trucks, Dreadnaught steel ends, Viking corrugated all-steel roofs, Apex steel running boards, Camel side doors and fixtures, Type AB air brakes and other specialties as shown in the second table.

### Principal Features of the Construction

The center sills, side and end sill angles, body bolsters, crossbearers, crossties, floor stringers and diagonal braces are the major parts of the underframe construction,



Steel Running Boards Are Applied on the Corrugated Steel Roof



The Cars Have Dreadnaught Two-Piece Steel Ends

made of Man-Ten steel, the side-sill channels and bulb angles, side plates, posts and other parts of the upper car frame being carbon steel with 20 per cent copper content. The bolster center brace and stiffeners and the striking castings are made of Grade-B cast iron. The body center plates are A. A. R. standard, drop forged.

The two A. A. R. Z-shape sections, which form the center sill, weigh 31.3 lb. per ft. and are joined by welding, practically all other car parts being built into the structure with riveted joints. The side sills are 7-in. rolled channels weighing 18.8 lb. per ft. Each is reinforced with a 6-in. by 3½-in. rolled angle extending from end sill to end sill and having additional reinforcement under the door openings in the form of a 6-in. by 3½-in. rolled bulb angle. The body bolsters are built-up of ⅜-in. pressed diaphragms, flanged 3 in. all around, spaced 12 in. apart and having ⅜-in. top and bottom cover plates. The bolsters are securely riveted to the side and center sills.

The body side bearings are rolled steel of wedge shape, with ⅝-in. hardened wear plates.

The crossbearers, four per car, are made of ⅜-in. pressed diaphragms flanged 3 in. all around, with ⅝-in. bottom tie plates and ¼-in. top cover plates. Eight crossties per car are ⅝-in. pressed diaphragms riveted to the center and side sills. The floor stringers, two per car, are made of 3-in. pressed Z-bars, ⅜ in., thick extending between the bolsters, and diagonal braces are ⅜-in. pressed channels. The two side plates are W-sections weighing 10.8 lb. per ft., and the side, door and corner posts are rolled Z-bars of the proper size. The top corner connections are soft steel pressings, riveted to the side plates and steel end flanges and welded where necessary to prevent leakage.

The Ductiloy steel side sheathing is No. 16 gage (.0598 in. thick) securely riveted to posts, side sills and side plates. The Dreadnaught two-piece steel ends are made

of copper-bearing steel, the upper sheets being ⅜ in., and the lower sheets ¼ in. thick. The Viking corrugated roof sheets mentioned are No. 16 gage applied over ⅛-in. pressed carlines. The running boards are Apex Tri-Lok type, secured with ½-in. galvanized carriage bolts and hexagonal lock nuts at each saddle.

The car flooring is close-grain tongue-and-groove Douglas fir and the end lining ¾-in. five-ply Douglas fir plywood, the latter being applied in one horizontal piece from the bottom to the third nailing strip and three vertical panels above, all with butt joints and secured in place by cement-coated nails. Floor boards are held down by water-tight bolts. Grain strips, door post fillers, etc., are applied in the usual manner, as are also placard boards, routing boards, defect card holders and safety appliances.

The Type-AB air brake equipment was furnished by Westinghouse. The foundation brake gear is designed to give a total brake-shoe pressure which is 65 per cent of the light weight of the car at 50 lb. cylinder pressure. Royal Type K-2 brake balancers are installed in the brake rigging.

Particular attention is being paid to the painting of these cars which includes a priming coat of No-Krode and two coats of color. The standard North Western stencilling for box cars is applied, including in prominent letters and figures the designation, Route of the "400."

#### Partial List of Materials and Equipment Used on 300 50-Ton C. & N. W. Box Cars Built by the Mt. Vernon Car Manufacturing Company

Low-alloy high-tensile steels:	
Underframes .....	United States Steel Corporation, Pittsburgh, Pa.
Side sheathing .....	Great Lakes Steel Corporation, Detroit, Mich.
Chilled car wheels .....	Mt. Vernon Car Mfg. Co., Mt. Vernon, Ill.
Trucks .....	Standard Car Truck Company, Chicago
Truck bolsters, side frames .....	American Steel Foundries, Chicago
Brake beams, 100 car sets each ..	Davis Brake Beam Company, Johnstown, Pa.
	American Steel Foundries, Chicago
	Chicago Malleable Castings Company, Chicago
Brake-head inserts .....	Illinois Railway Equipment Company, Chicago
Brake-beam supports .....	Chicago Railway Equipment Company, Chicago
Brake shoes .....	American Brake Shoe & Foundry Co., Chicago
Truck side bearings .....	A. Stucki Company, Pittsburgh, Pa.
Truck-lever bottom connections ..	Carter-Blatchford, Inc., Chicago
Journal-box lids .....	American Locomotive Company, New York
Journal bearings .....	Magnus Metal Corporation, Chicago
Truck springs and spring plates ..	American Steel Foundries, Chicago
Bottom-rod guards .....	Chicago Railway Equipment Company, Chicago
Brake hanger retainers and retainer-valve anchor .....	Illinois Railway Equipment Company, Chicago
Brake-beam hangers and bottom lever connections .....	Carter-Blatchford, Inc., Chicago
Air brakes .....	Westinghouse Air Brake Company, Wilmerding, Pa.
Hand brakes .....	Ajax Hand Brake Company, Chicago
Brake balancer .....	Royal Railway Improvements Corporation, New York
Steel roof and ends, coupler centering device .....	Standard Railway Equipment Mfg. Co., Chicago
Steel running boards and defect-card holder .....	Apex Railway Products Company, Chicago
Couplers .....	National Malleable & Steel Castings Co., Cleveland, Ohio
Coupler yokes (150 car sets each)	American Steel Foundries, Chicago
	National Malleable & Steel Castings Co., Cleveland, Ohio
	Camel Sales Company, Chicago
Side doors and fixtures .....	T-Z Railway Equipment Company, Chicago
Branch-pipe tee bracket and brake step .....	Universal Railway Devices Company, Chicago
Pipe clamps .....	Waugh Equipment Company, New York
Draft gear (150 car sets each) ..	Cardwell-Westinghouse Company, Chicago
Floor clips .....	MacLean-Fogg Lock Nut Company, Chicago



# Labor Wants S. 2009 Recommitted

Surprise move seeks support for such a motion with instructions to restore consolidation sections including labor-protection provision

WASHINGTON, D. C.

Springing an eleventh-hour surprise, the chief executives of the five train-service brotherhoods on May 1 sent a letter to members of Congress to express disappointment over the elimination of S. 2009's consolidation provisions and to "very earnestly" urge the Congressmen to support a motion to recommit the conference report, which motion, the letter said, would contain a provision instructing the conferees to re-insert the consolidation provisions with an amendment to protect railway labor against unemployment. This move of the so-called "big five" was an unexpected one, because the conferees had not anticipated any railway-labor opposition to the conference report, being under the impression that the controversy over the Harrington "labor protection" amendment had been settled in the agreement to eliminate all provisions relating to consolidations. The letter was signed by A. Johnston, grand chief engineer, Brotherhood of Locomotive Engineers; D. B. Robertson, president of the Brotherhood of Locomotive Firemen & Enginemen; J. A. Phillips, president of the Order of Railway Conductors; A. F. Whitney, president of the Brotherhood of Railroad Trainmen; and T. C. Cashen, president of the Switchmen's Union of North America.

The conference report, filed in both branches of Congress on April 26, was scheduled to come up first in the House on Friday; it comprises the text of the bill as finally agreed upon, and is accompanied by an explanatory statement signed by house members of the conference committee. The most important piece of transport legislation proposed since the Transportation Act of 1920, the bill's "most notable purpose," to quote Conferee Lea, chairman of the House Committee on Interstate Commerce, "is that of taking water transportation into the transport regulatory system of the country, and unifying regulatory powers under the Interstate Commerce Commission." The important features of the water carrier regulation, such as those relating to rates, certificates and permits, will not become effective until October 1: and there is a provision whereby the I. C. C. can postpone their effective date from time to time, but not beyond January 1, 1942.

## Declaration of Policy

In talking about the bill while it has been pending during the past year or more, railroad spokesmen have frequently emphasized how both the Senate and House versions embodied what they regarded as a "sound declaration of policy," and provisions which would comprise a first step in the right direction toward bringing about equality of opportunity in the transport field. Here is the declaration of policy as embodied in the conference report:

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of

transportation subject to the provisions of this Act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several states and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions;—all to the end of developing, co-ordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense. All of the provisions of this Act shall be administered and enforced with a view to carrying out the above declaration of policy.

## Assignment of the Study Board

Such "equality of opportunity" as the bill undertakes to effect would, of course, be confined to the matter of regulation; it does nothing specific about the subsidy question. In the latter connection, however, there is the provision for appointment by the President of a three-member board to investigate:

- (1) The relative economy and fitness of carriers by railroad, motor carriers, and water carriers for transportation service, or any particular classes or description thereof, with the view of determining the service for which each type of carrier is especially fitted or unfitted; the methods by which each type can and should be developed so that there may be provided a national transportation system adequate to meet the needs of the commerce of the United States, of the Postal Service and of the National defense.
- (2) The extent to which the right-of-way or other transportation facilities and special services have been or are provided from public funds for the use, within the territorial limits of the continental United States, of each of the three types of carriers without adequate compensation, direct or indirect, therefor, and the extent to which such carriers have been or are aided by donations of public property, payment from public funds in excess of adequate compensation for services rendered in return therefor, or extensions of government credit.
- (3) The extent to which taxes are imposed upon such carriers by the United States, and the several States, and by other agencies of government, including county, municipal, district and local agencies.

The board is also authorized in its discretion to investigate or consider "any other matter" relating to rail carriers, motor carriers, or water carriers, which "it may deem important to investigate for the improvement of transportation conditions and to effectuate the national transportation policy . . ." Members of the board would be paid \$10,000 a year; the secretary, \$7,500; and the general counsel, \$9,000. The board would have a life of two years from the time of the bill's enactment, although the President is authorized to extend such life for an additional two years. The board's preliminary reports to the President and Congress would be due on or before May 1, 1941; in addition it would be required to submit an annual report, a final report, "and such other reports as it may deem necessary."

The disposition by the conferees of the bill's most-talked-of provisions was indicated in last week's issue, page 743. As there noted, the controversy over the Harrington "labor-protection" amendment was resolved in an agreement to strike from the bill all provisions relating to consolidations. Commenting on that action, the statement of the House conferees notes also the striking of the word "consolidation" from the list of purposes for which Reconstruction Finance Corporation loans may be made. It goes on to point out that the omitted provisions were those to which the Harrington amendment related, adding that their elimination "obviates the necessity of guarding against the possible un-

employment that might otherwise have resulted from these provisions." Previously the statement had asserted that "undoubtedly it is against the best interest of the country to eliminate transportation facilities that may be temporary surplus facilities but have the economic need and justification under normal economic conditions."

In the appendix to the April 29 issue of the Congressional Record appeared "an additional statement" on S. 2009 by Representative Crosser, Democrat of Ohio, who expressed his "disappointment at the elimination of section 8, relating to consolidations, and so forth," which he felt "was helpful to the general public interest and to the welfare of employees." Nevertheless, Mr. Crosser explained that he had decided to sign the conference report, "considering as a whole the bill as submitted by the conferees." He made his additional statement in this fashion because he had been informed that the rules of the House did not permit "a minority report or an additional statement by a member of the conference committee."

### Now the Harrington Bill

But all of this does not seem to have satisfied the Harrington amendment's sponsor—Representative Harrington, Democrat of Iowa. On the day the conference report was filed, he introduced H. R. 9563, which he described as a bill to prohibit the I. C. C. "from approving any consolidation, combination, abandonment, pooling contract, division of traffic, and so forth, which would result in the displacement of railroad labor." Mr. Harrington added that his bill would "also protect many communities from the economic disaster that results from railroad consolidations and abandonments." Previously he had noted that the present Interstate Commerce Act contains consolidation provisions which provide "no specific protection for the railroad worker." Through H. R. 9563, Mr. Harrington went on, "the friends in Congress of railway employees are being given the opportunity to support and vote for the principle of protecting railroad labor against railroad banker desires, which was the philosophy embodied in the Harrington amendment which the joint conference committee did not see fit to retain."

Likewise eliminated, as noted also in last week's issue, were proposed provisions for the regulation of forwarders; the Miller-Wadsworth amendment; the Jones amendment; and the so-called bridge bill. "The conferees," says the House group's statement in the first connection, "were friendly to the proposal of providing legislation for the regulation of forwarding carriers," but in view of the fact that the House had held hearings on a forwarder-regulation bill, it was agreed that the matter should be handled through the separate bills recently introduced. The consideration of the forwarder legislation, the statement adds, will be taken up by the Senate committee in lieu of the pending investigation (called for in Senate Resolution 146) of railroad methods of handling l. c. l., express and forwarder traffic.

### Miller-Wadsworth Amendment Out

The statement has quite a bit to say in explaining why the conferees eliminated the Miller-Wadsworth amendment which would have required the I. C. C. to permit any carrier to reduce its rates so long as the resultant charge remained compensatory after considering all elements of cost including overhead. After citing possible administrative difficulties and burdens which might fall on the transportation of heavy freight, "such as farmers' products," the statement asserted that "the other

provisions of the bill afford ample protection for the preservation of the inherent advantages of water transportation;" and that "there is no authority for the contention that the commission has any right to require a higher rate than is reasonable for the purpose of diverting traffic from any given type of carrier to a competitor."

The Jones amendment would have required the I. C. C. to prescribe export rates on agricultural products on the same relative basis as it now permits the railroads to publish export rates on manufactured articles. In justifying its elimination, the House group pointed out how the present law as to fixing export rates "is the same for agricultural as for industrial products;" also "there is no practical basis of comparison from the standpoint of discrimination between the two classes of products because they are not in competition with each other." Moreover, attention is called to the fact that the conference report embodies provisions calling for an I. C. C. investigation of rates on manufactured products, agricultural commodities and raw materials. These provisions, which will be discussed later, are a modified version of various bills sponsored by Southern members of Congress to require the I. C. C. to remove alleged discriminations in the interterritorial freight-rate structure.

With respect to the elimination of the so-called bridge provisions, the statement recalls how the President vetoed similar provisions passed last year in the form of the Truman-Hobbs bill. It adds: "While the committee understands that amendments not destroying the substantive value of these provisions might make it acceptable to the Executive, it was deemed preferable to proceed further with this legislation by a separate bill." Thus the bridge bills recently introduced by Representative Hobbs, Democrat of Alabama, and Conferee Truman, Democratic Senator from Missouri.

In last week's issue, Conferee Truman's recent New York address was interpreted as having indicated that the provisions repealing land-grant rates [except as to "military or naval property of the United States moving for military or naval use and not for civil use or to the transportation of members of the military or naval forces . . . (or of property of such members) when such members are traveling on official duty"] were set up to continue the application of present land-grant reductions on those land-grant roads which fail to return to the government any granted lands now held and not used for railroad purposes. Actually, such lands could be retained without foregoing such relief as may be afforded by the partial repeal of the land-grant rates—the condition, as embodied in the conference report, runs to claims for unpatented land in dispute with the government, requiring roads with such claims to file a release in order to become eligible for the benefits of land-grant-rate repeal. As has been pointed out from time to time in discussions of the land-grant provisions, the impact of this condition would be almost entirely upon one road—the Northern Pacific.

In their "leaning over backwards to protect the interests of the water carriers," the conferees did the expected thing with respect to exemptions for bulk carriers, adopting provisions along the lines of the more liberal ones in the House bill. In other words specific exemptions are provided for the transportation by any water carrier of commodities in bulk, when the cargo space is being used for the carrying of not more than three such commodities; for the transportation by water of liquid cargoes in bulk in tank vessels; and for contract carriers of commodities in bulk in non-ocean-going vessels when the cargo space is used for carrying not



more than three such commodities, and when the vessel passes through waters "which are made international for navigation purposes by any treaty to which the United States is a party." This fixes up the bulk carriers on the Great Lakes. Finally, there is a general provision declaring it to be the policy of Congress to exempt transportation by contract carriers by water, which, "by reason of the inherent nature of the commodities transported, their requirement of special equipment, or their shipment in bulk, is not actually and substantially competitive with transportation by any common carrier subject to this part or Part I or Part II." The I. C. C. is directed upon application to order an exemption where the foregoing conditions are placed.

Meanwhile the bill transfers from the Maritime Commission to the I. C. C. the regulation, with some augmentation thereof, of coastwise and inter-coastal water carriers and of the non-exempt carriers on the Great Lakes. New regulation is provided for carriers on the inland waterways, with a stipulation which means that the government-owned Inland Waterways Corporation shall get no preferred treatment. Following the lines of those embodied in Part I and the Motor Carrier Act, the water-carrier regulatory provisions are comprehensive, running to such matters as certificates of convenience and necessity, maximum and minimum rates, minimum charges of contract carriers, supervision of accounts, reparation awards and penalties for unlawful acts. January 1, 1940, is the "grandfather" date, that clause providing that common or contract water carriers in bona fide operation at that time and since shall receive, respectively, certificates or permits without any showing of public convenience and necessity. Also, any water carrier which went into business after the "grandfather" date, but before the effective date of the bill's certificate provisions, could continue such operations for 120 days and thereafter until the commission passes upon its application, provided such application is filed within the 120 days.

#### Amendments to Part I

Meanwhile, as noted above, the bill makes various changes in Parts I and II of the Act. Dealing first with Part I, there are the amendments to the present section 1's definition of control as well as another amendment to that section to make it the duty of the railroads to establish reasonable through routes with water carriers. Railroad labor got its provision authorizing railroads to furnish free transportation to union executives, general chairmen and counsel, while another amendment would authorize free transportation for the household goods of railway employees transferred to a new assignment. Other amendments to section 1 would give the commission increased authority to pass on contracts for the use of locomotives or cars, as well as making it unlawful for a railroad or express company to enter into any arrangement for the furnishing of protective service against heat or cold, or to continue after January 1, 1941, as a party to any such arrangement, unless the commission has found it to be just, reasonable and consistent with the public interest. Also, there is a new prohibition, with penalties, for bribing a railroad employee in order to obtain preference in the distribution of cars.

The amendments to section 3 add "region, district, territory" to the list of localities against which undue or unreasonable preference is prohibited. This is, of course, a reflection of the so-called Southern Governors' rate complaint; and it is followed by the aforementioned provision calling for an I. C. C. probe of rates. By

virtue of the latter the commission would be "authorized and directed to institute an investigation into the rates on manufactured products, agricultural commodities, and raw materials, between points in one classification territory and points in another such territory, and into like rates within any of such territories, maintained by common carriers by rail or water subject to Part I . . . Provided that the commission in its discretion may confine its investigation to such manufactured products, agricultural commodities, and raw materials, and the rates thereon as shippers thereof may specifically request be included in such investigation." Other changes in section 3 amend the provisions with respect to the liability for freight charges, and limit to railroads the application of provisions giving the commission authority to require the use of terminal facilities at a just and reasonable compensation.

#### The Fourth-Section Change

The fourth section change has been outlined in previous issues. Briefly, it repeals the equidistant clause and applies remaining provisions to water carriers as well as railroads. Also, there is the provisions designed to expedite procedures. The latter permits the filing of tariffs carrying the proposed rates concurrently with a fourth-section application; if such application is granted the commission may permit the tariffs to become effective on one-day's notice.

Amendments to section 6 repeal the provision requiring railroads to furnish upon written request a written statement of the rate applicable to a described shipment and to keep posted in every freight station the name of a resident agent; also they make applicable to all carriers subject to the act that provision whereby arrangements made with any water carrier operating from a United States port to a foreign port must be made with other water carriers operating on the same foreign-trade route. Section 8 amendments extend the commission's authority to inquire into "the management of the business of persons controlling, controlled by, or under common control with," carriers subject to Part I. Similar provisions are embodied in amendments to the Motor Carrier Act and in Part III.

The commission gets the authority it has been seeking to provide for the travel and subsistence expense of representatives of state commissions sitting with the I. C. C.; while the commission's authority to confer and cooperate with such state authorities is extended to embrace Part III. The first of the section 15 amendments strikes out the clause which has limited the commission's authority over joint rail-water rates to the fixing of maximum rates. Then comes the through-routes provision which stipulates that the commission may prescribe through routes and joint rates without reference to the short-hauling of any carrier where it finds that such routes are needed "in order to provide adequate, and more efficient or more economic, transportation." Also, there is the proviso that in prescribing through routes the commission shall, "so far as is consistent with the public interest," give "reasonable preference" to the railroad which originates the traffic. Moreover, "no through route and joint rates applicable thereto shall be established by the commission for the purpose of assisting any carrier that would participate therein to meet its financial needs." Finally, if any party to a through route proposes its cancellation without the consent of all participating carriers, the burden of proof shall be upon the carrier proposing the cancellation.

The burden-of-proof provisions with respect to proposed changes in rates are altered to place the burden

upon railroads in connection with any change, instead of only in the case of proposed increases, as now provided. A similar provision is embodied in the amendments to the Motor Carrier Act and in Part III. Likewise applying to all carriers subject to the act is a provision requiring that allowances for services rendered to carriers in connection with transportation shall be published in tariffs or schedules.

### The Rate-Making Rule

The railroads did not get the change they wanted in the rate-making rule. In other words it still embodies language directing the commission to give due consideration "to the effect of the rates on the movement of traffic." However, that phrase has been extended by the addition of the words "by the carrier or carriers for which the rates are prescribed." Thus the rate-making rule reads:

In the exercise of its power to prescribe just and reasonable rates the commission shall give due consideration, among other factors, to the effect of the rates on the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient railway transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable the carriers, under honest, economical and efficient management, to provide such service.

Similar rate-making rules are embodied in the Motor Carrier Act and in Part III, although the former retains the listing of the "inherent advantages" of transportation by motor vehicle among the factors which the commission must consider. The final bill reduces from three years to two years the time within which overcharge, undercharge and reparations claims must be filed.

Next come the amendments dealing with I. C. C. procedure, broadening the power of the commission to delegate its work. Among other things these amendments permit the creation of an appellate division within the commission, and the assignment of work to divisions, individual commissioners or boards of employees. There is, however, the stipulation that the assignment of work relating to rates, fares or charges "shall be made according to the character of the regulation to be exercised and not according to the kind or class of carriers involved or to the form or mode of transportation in which such carriers may be engaged." Thus there can be no such complete departmentalizing as that embodied in the Motor Carrier Division prior to the I. C. C. reorganization of last year. Railway labor gets the provision it wanted to give it the right by law to intervene in cases before the commission; while the commission gets the authority it has been seeking to impose "a reasonable fee" for admission to practice before it.

Amendments to section 20 augment the commission's power to require from carriers "specific, and full, true and correct" answers to all questions upon which it may seek information; also, give it authority to inspect the accounts of those who furnish railroads or express companies with cars or protective service against heat or cold. There are various other changes in this section 20 which relates to accounts, reports, etc., of carriers subject to part I.

### Motor Act Changes

Among the more important changes in the Motor Carrier Act is that which incorporates a modification of the so-called Benton amendment, sponsored by the National Association of Railroad and Public Utilities Commissioners of which John E. Benton is general solicitor.

It directs the I. C. C. to exempt from federal regulation the interstate transportation performed by motor carriers operating on intrastate routes where the operation is of such a character as "not substantially to affect or impair uniform regulation." It is provided, however, that where a motor carrier has been thus exempted from federal regulation, it shall not be considered to be a burden upon interstate commerce for a State to regulate such a carrier with respect to the operations covered by the exemption.

The provisions prohibiting dual operations under certificates and permits (except where the commission may find such operations consistent with the public interest) are amended to apply not only to a particular motor carrier, but also to any person controlling, controlled by, or under common control with such carrier. The maximum period for which the commission may suspend tariffs of common carriers and schedules of contract carriers is increased from 180 days to seven months. Also, contract-carrier schedules will hereafter have to show minimum rates "actually maintained and charged." On the other hand contracts of contract carriers are not to be made public by the commission, "except as a part of the record in a formal proceeding where it considers such action consistent with the public interest." Existing provisions relating to reports on motor carrier accidents are amended to stipulate that no such report by a motor carrier to the commission or by the commission on a motor carrier accident shall be admitted as evidence in any suit for damages growing out of the accident. Also, the conferees retained that provision which directs the I. C. C. "to expedite its investigation of the need for federal regulation of the sizes and weights of motor vehicles, authorized by section 226 of the Interstate Commerce Act, as amended, and to report to Congress thereon at the earliest practicable date."

The new Part III, as noted above, provides for water carriers the same type of comprehensive regulation as is provided for railroads under Part I and for motor carriers under Part II. Also, there are provisions to repeal inconsistent provisions of the Shipping Act of 1916 and the Intercoastal Shipping Act of 1933; and for the transfer to the I. C. C. of those employees of the Maritime Commission who have been assigned to the regulatory work which that commission will relinquish to the I. C. C.

### R. F. C. Loan Provisions

Title III of the bill covers miscellaneous matters such as those setting up the study board and providing for the conditional repeal of land-grant rates. Also, it embraces the amendments to railroad-loan provisions of the Reconstruction Finance Corporation Act. The amendments authorize loans not only to railroads, but to "receivers or trustees thereof;" and provide that a certificate of approval from the I. C. C. shall not be required in the case of "purchases or guarantees" of obligations made for the maintenance of, or purchase of, equipment for railroads not in receivership or trusteeship. The present law excepts from the provisions requiring I. C. C. approval in such cases only "loans" for such maintenance or purchase.

As noted previously, another R. F. C. act amendment omits "consolidations" from the purposes for which aid may be granted; while still another increases the limit on loans and commitments to railroads from \$350,000,000 to \$500,000,000 in addition to loans and commitments made prior to January 31, 1935, and renewals of loans and commitments so made. The R. F. C. did not get all it wanted in the way of a stipulation whereby it would be permitted to dispose of collateral pledged with



it by roads subsequently thrown into receivership or trusteeship. That provision was modified so as to apply only to the collateral of roads not now in receivership or trusteeship.

Other provisions in the "miscellaneous" section stipulate that the federal government shall pay its transportation bills upon presentation, prior to audit, and deduct any overpayments shown by the audit from subsequent payments. Also, there is a provision which states that the law requiring competitive bids on government purchases shall not be construed as requiring advertising for bids in connection with the procurement of transportation when the services required can be procured from any common carrier lawfully operating in the territory where such services are to be performed.

The conference report is signed by the seven managers on the part of the House and the five managers on the part of the Senate. The House members are: Chairman Lea and Representatives Crosser of Ohio, Bulwinkle of North Carolina, and Cole of Maryland, Democrats, and Wolverton of New Jersey, Holmes of Massachusetts, and Halleck of Indiana, Republicans. The Senate conferees are: Chairman Wheeler and Senators Truman of Missouri and Donahey of Ohio, Democrats, and White of Maine and Reed of Kansas, Republicans.

## Auxiliary Water Cars Save Operating Costs

**T**HE Missouri Pacific was one of the pioneers in using auxiliary water tanks on its freight trains, having begun this practice in 1926. In the ensuing 12 years, the use of such tanks has been expanded to cover all the main lines, and the benefits derived from such operation have been analyzed and increased by certain refinements based on experience.

The benefits include a saving in fuel, the elimination of several water stations; a reduction of \$8,000 a year in the cost of producing water; and the elimination of the necessity of taking water at points where difficulty is experienced in treating water for locomotive use. On the M. P., the most important point where the last economy has been effected is at Wichita, Kan., where the water has a strong saline content and has successfully resisted treatment.

Shortly after the termination of Federal control, the demand for faster freight train schedules began to make itself felt on the M. P. Studies were made of ways and means of speeding up the schedules without the ex-

penditure of huge sums of money and one of the things developed in these studies was that savings in both time and fuel consumption could be effected by furnishing locomotives with tenders of greater water and fuel capacity.

The M. P. has in main line freight service 24 Santa Fe engines with a tender capacity of 10,000 to 14,000 gal. of water; 25 Berkshire engines, with a tender capacity of 17,500 gal. and 276 Mikado engines, with a tender capacity of 10,000 to 15,000 gal. Since new tenders, with a capacity of 15,000 to 20,000 gal. of water would cost between \$15,000 and \$18,000, the equipping of all of these main line engines would have cost a huge sum. For this reason, an alternative plan of using auxiliary water cars of 10,000 gal. capacity was put into effect.

### Equipment

The equipment used for this purpose was the standard M. P. 10,000 gal. capacity tank car, which originally cost \$2,300. As the refitting of these water cars became standardized, the cost of equipping them and of the piping connecting them with the locomotive has been reduced to \$490. The domes of these cars were removed and a new collar, flanged out of ¼ in. steel plate and drilled to match the holes left in removing the dome, was applied. Running boards and handholds were applied, and, since many of the locomotives are oil-burners which sometimes cause the enginemen to have slippery shoes, non-skid metal running boards were provided. To prevent the water freezing in cold weather, it is heated by a ½ in. steam line from the locomotive. Tank connections between the tender and the auxiliary car consist of 4 in. standard pipe.

### Results

The use of auxiliary water cars has been increased steadily until there are now 87 such cars in service, which average more than 6,000 miles per month each. These cars and the tenders have common connections, making it possible to operate them in chain gang service.

Specific examples of the economies and efficiency brought about by the use of such cars are numerous. For example, a freight train running between Kansas City, Mo., and Jefferson City, 168 miles, formerly made two stops for coal and three stops for water, whereas now only one stop for coal and water is necessary, eliminating one stop for coal and two for water. On freight trains from Dupu, Ill., to Paragould, Ark., via Gale, 229 miles, and from Dupu to Poplar Bluff, via Gale, 191

*(Continued on page 786)*



The Missouri Pacific Has Had Excellent Results from the Use of Auxiliary Water Cars



The Fuel Oil Installation at Atlanta, Ga., Showing the Two 10,000-Gal. Storage Tanks, the Pump House and a Tank Car in Position for Unloading

## Fuel Stations for Diesels Have Interesting Features

Six installations on Southern incorporate latest equipment and practices—Special effort made to insure cleanliness of oil

**W**HEN preparations were being made on the Southern last year for placing in service six two-car Diesel-electric trains, the railroad was confronted for the first time with the problem of providing fueling facilities for such locomotives. As a preliminary to the design of the installations, a careful investigation was made of the problem, which included a study of existing facilities, and the experiences with them, on other lines. As a result, the fueling installations that have been made on the Southern embody the latest developments, practices and refinements in the design, location and arrangement of such facilities. Particularly interesting are the precautions that were taken to insure the cleanliness of the oil as it is delivered to the fuel tanks of the locomotives.

Six fuel-oil stations were installed, namely, at Chattanooga, Tenn.; Meridian, Miss.; Sheffield and Mobile, Ala.; and Atlanta and Brunswick, Ga. Each installation

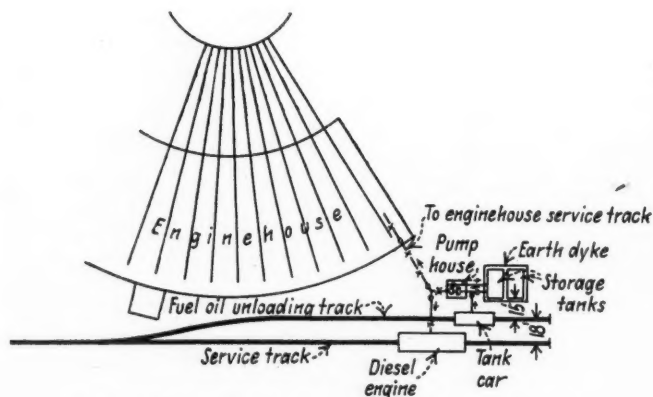
consists essentially of two storage tanks, a motor-operated pump for transferring oil from tank cars to the storage tanks and from the latter to the locomotive fuel tanks, and the necessary hose and pipe connections and other appurtenances. Also, each installation embodies a fuel-oil unloading track and a service track where the locomotives are spotted for fueling.

Where possible, the fuel-oil station was installed near an enginehouse, with a pipe line extending to one of the tracks in the latter so that the locomotives could be fueled under cover while undergoing inspection or repairs. In cases where it was not possible to locate the facilities near an enginehouse, an inspection pit was installed on the outside service track. Among the accompanying illustrations is a drawing showing the typical arrangement of the fueling facilities.

### The Storage Tanks

A storage capacity of 20,000 gal. is provided at each fuel station. Instead of one large tank, two 10,000-gal. units are used so that the cleaning, painting and repair of one unit can be carried out while the other remains in service. The tanks are cylindrical in shape and are each 10 ft. in diameter and 17 ft. 9 in. in length.

In order that they would be readily accessible for inspection, maintenance and repair, the tanks were installed above ground, and each of them is elevated about three feet above the ground on three concrete saddles. As a safety and fire protection measure, an earth dike having a capacity of over 20,000 gal. was placed around the tanks. Each tank has a manhole 18 in. in diameter at the top, a 3-in. cleanout plug at the bottom and a screened 1½-in. double outlet vent pipe. Screens are provided at both the inlet in the top of each tank and in the outlet at the bottom of the tank.



Typical Layout Plan for the Fuel Oil Installations for Diesel Locomotives



Although the tanks were installed with their longitudinal axes in a horizontal position, some consideration was given to the advisability of placing them on a slight slope in the direction of the clean-out plug which is placed toward the end of the tank opposite the outlet connection. Such an arrangement, it was thought, would have the advantage that any sediment or condensation in the tank would have a tendency to gravitate toward the clean-out plug and away from the outlet.

### Motors and Pumps

Each of the installations embodies a 3-in. Yale & Towne rotary-type pump having a capacity of 100 gal. per min. at 615 r.p.m., which is directly connected through a flexible coupling with a 3-hp. Westinghouse ball-bearing-mounted motor with manual electric control. The piping and valves are so arranged that the pump can be used to transfer oil from tank cars to the storage tanks, as well as from the latter to the locomotive. Also, the arrangement is such that, in emergency, oil may be delivered directly from the tank car to the locomotive.

In order that the speed may be reduced to prevent the foaming or aerating of the oil, each pump is equipped with reduction gears. A dash-pot by-pass relief valve is furnished as an integral part of each pump so that, if the nozzle valve or discharge pipe valves should be closed while fuel is being pumped to a locomotive or storage tank, the oil will circulate in the pump without building up pressure and without causing shock to the pump or the pipe lines. The motor and pump unit at each installation is located directly adjacent to the storage tanks and the tank car and engine service tracks, and is contained in a small frame pumphouse.

### Duplex Strainers Used

Among the more important features of the installations that are designed to insure the cleanliness of the oil is the three-inch strainer or filter that is installed in the discharge line adjacent to each pump. By means of this device, the oil is strained as it is pumped from the tank car to the storage tanks and again in moving from the latter tanks to the locomotive. The strainers used are of the Schutte & Koerting Uni-Plug duplex type. Each of them incorporates two baskets, either one of which is capable of handling the capacity output of the pump. In these strainers the baskets are made of mesh consisting of No. 29 wire gauze and having 24 openings per inch.

By the manipulation of a four-way valve, one of the baskets may be readily removed for cleaning and inspection while the other is continued in operation. A drain is provided at the bottom of each chamber in the strainer to permit the removal of sediment.

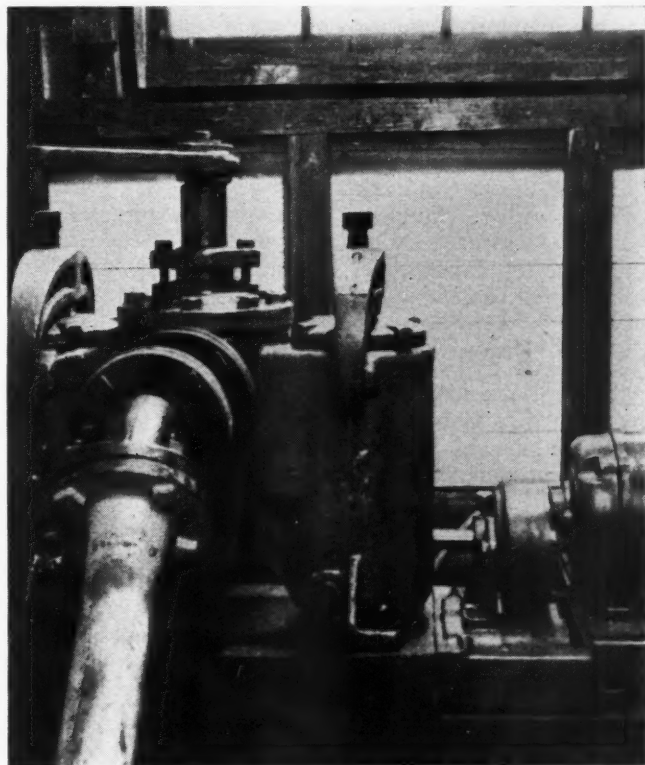
The fuel-oil unloading device that is provided at each fueling station embodies two sections of three-inch galvanized wrought iron pipe, each about 8 ft. in length. These pipes are connected with each other by means of a Barco flexible joint and a similar joint is used for fastening one of the pipes to the end of the suction line. A valve is provided at the connection with the suction line, while the free end of the other pipe section is equipped with a standard tank-car connection. To prevent foreign matter from entering the suction line, the intake end of the unloading device is provided with a plug which is kept in place at all times other than during the unloading of oil.

The type of unloading device described above embodies a high degree of flexibility and eliminates the necessity

for spotting the cars in an exact position. Also, the use of the flexible connections permits the pipe sections to be swung back into the clear and folded together in a covered wooden box provided for this purpose.

### Delivery Hose

A 25-ft. length of special synthetic reinforced rubber-lined oil hose is provided for transferring oil from the pump discharge line to locomotives. One end of the hose is attached to a quick-opening valve mounted on a swivel joint attached to the end of the discharge line from the pump, while the opposite or discharge end is equipped with a nozzle. The latter is of the trigger type, being similar to the nozzles used at gasoline filling stations for automobiles. The end of the nozzle is fitted with a special quarter-turn coupling that engages an appropriate



Interior of the Pump House at Atlanta, Showing the Motor and Reduction Gears at the Right and the Duplex Strainer at the Left. The Pump Is Behind the Strainer

fitting on the locomotive. When the hose is not in use, the nozzle is closed with a cap to prevent the entrance of foreign matter.

A sunken timber box with a hinged cover is provided alongside the service track for housing the hose when it is not in use. Where fuel-oil outlets have been provided in enginehouses, provision is usually made for supporting the hose from a convenient column when it is not in use.

All piping at the fuel-oil stations is of wrought iron, the suction lines from the tank-car unloading device and from the storage tanks being 3 in. in diameter, while the discharge lines to the service tracks and to the storage tanks are of 2½-in. pipe.

The fuel-oil stations on the Southern were designed and installed under the general direction of A. B. Pierce, engineer of water supply.

All work involved in making the installations was carried out by company forces.

# I. C. Workers Make 16,092 Suggestions

Plan, in effect for one year is powerful employee relations medium—Saved \$50,000

**E**XCEPTIONAL results, both in savings to the company and in employee relationship, mark the completion of the first year of the Employees' Suggestion System which the Illinois Central placed in operation on March 6, 1939. While the plan for stimulating and rewarding employees for suggestions that will save money or improve railroad operations has drawn 16,092 suggestions from the railroad's 31,294 employees, of which 1,147 were adopted and saved \$50,000, it has also been a stimulus to employee morale by creating the feeling that even minor employees are an important part of the railroad and have a voice in its management.

Under the system, endorsed by J. L. Beven, president, officers are not eligible to participate because they are being paid to create ideas essential to efficient management. They do, however, encourage employees to submit suggestions.

## Names Not Signed to Suggestions

Suggestions, in accordance with the system established by Industrial Equities, Inc., Chicago, are submitted on numbered blanks which the railroad makes available at convenient places on the system. The suggestor does not sign his name but detaches a stub with a corresponding number. He dispatches his suggestion by railroad mail to a division suggestion committee. A division committee, usually consisting of a superintendent, who acts as chairman, his chief clerk who acts as secretary; the master mechanic, the train master, the division engineer, the division storekeeper, the president of a booster club, a division traffic agent and a traveling auditor, functions on each division and at the Paducah and Burnside shops.

The division committee acknowledges receipt of suggestions by posting numbers on bulletin boards. It meets weekly to review the suggestions received and selects those which, in its judgment should be given a reward. These are forwarded to H. C. Marmaduke, manager of the system at Chicago, for action by a general committee. The division committee informs the employees of the progress of suggestions by posting numbers on bulletin boards under such classifications as: received but not acted upon, held pending further investigation and declined. Suggestions are declined because the idea is not profitably workable at this time, because the suggestion is already in operation or because it was previously submitted. The employee may contact the division committee to learn more about the disposition of his suggestion.

The manager's force indexes and files all suggestions and presents the division committee's recommendations to the general committee which makes the awards. This committee consists of George M. Crowson, assistant to the president, R. E. Connolly, secretary and treasurer, Maro Johnson, principal assistant engineer; S. F. Lynch, office manager to assistant to the vice-president and general manager; H. C. Marmaduke; K. H. Lyrla, statistician-accounting; L. L. Kins, purchasing agent; J. L. Carver, mechanical engineer; W. Haywood, freight traf-



Placards Are Used to Stimulate Interest

fic manager; D. J. Hearne, assistant general passenger agent; W. M. Vandersluis, general superintendent of telegraph and signals; W. J. O'Brien, attorney; C. R. Young, manager of personnel; and J. A. McLoone, general chairman of the Brotherhood of Railway and Steamship Clerks, Freight Handlers and Station Employees.

## Awards Made According to Merit

In making cash awards, the general committee is governed by two considerations, the intangible benefit to be derived from the adoption of the suggestion, however, minor, and the economic value, measured in dollars, to the railroad. The scale of payment for the one group of suggestions is a minimum of five dollars per suggestion adopted, with slightly higher amounts for ideas of greater caliber. For the other group of suggestions the awards are based on merit and usually amount to ten per cent of the first year's savings, with a minimum of five dollars. Typical of the first group is the award of five dollars for



the suggestion that an unused flagpole be painted and adorned with the flag of the United States, and representative of the second is the \$250 paid for the suggestion that a mechanical coal chute be built at Forest, Miss., to eliminate the need and expense of joint facilities.

In order to direct thinking along constructive lines and at the same time keep enthusiasm at a high level, specially designed placards are displayed over the system. Placard No. 30, for example, shows "ideas in reality" with emphasis on the amounts won and concludes with "make a suggestion every week." Other placards induce concentration upon ten different topics, such as improving operating methods, improving maintenance and shop tools and equipment, improving freight and passenger service, preventing accidents, simplification of clerical work, improving working conditions and eliminating any form of waste. Employees are also encouraged to improve freight handling methods and reduce freight loss and damage.

While the 16,092 suggestions submitted provide some measure of the employees' interest, other incidents reveal the results in broader aspects. A special engineer in the mechanical department, for example, has received 35 awards, and a chief clerk in the drafting department 25, while many employees are repeat winners. On one day, 12 awards were given to members of the traffic department. One award enabled an employee to undergo a much needed operation. Still another supplied tax money in time to avoid difficulties. Surmounting all is the feeling of satisfaction and pride in having a suggestion adopted. As one employee expressed himself: "It does a fellow down on the line good to know that he can suggest something to a big fellow like the Illinois Central and that he will accept it."

### Valuable Ideas Submitted

Many of the suggestions made reflect keen observation and intelligent thinking, as is demonstrated by the following examples. A lineman at East St. Louis, Ill., observed that the telephone traffic in this office could be handled by 8 trunk lines instead of 13 and that rental amounting to \$1,350 a year could be saved if 5 were discontinued. A freight conductor reasoned that if the yard tracks at Dyersburg, Tenn., were rearranged, freight train operation would be facilitated and \$1,000 a year saved. Still another employee cut the consumption of electric power in suburban service at Chicago to the amount of \$1,000 a year. A traffic agent at Peoria, Ill., proposed that grain destined to Peoria be set out at Pekin for inspection to reduce back haul on cars of grain reconsigned to Pekin and save \$1,200 a year. A switch tender thought of a way to eliminate one operating train stop on the Chicago terminal and save \$300 a year. A motor car maintainer at Memphis, Tenn., suggested the use of case hardened bushings and pins in fairleads and boom sheaves on drag lines and boom sheaves and swing rollers on burro cranes instead of brass bushings with steel pins to prolong life, reduce replacement cost and save \$300 a year.

Since March 6, the results have surpassed those of the same period a year ago. The suggestions adopted from March 6 to April 6, 1940, have totaled 168 as compared with 49 in the same period a year ago.

TRANS-CANADA AIR LINES, subsidiary of the Canadian National, celebrated its first birthday as a passenger-carrying organization on April 1. To mark the event, special birthday parties were held on every ship enroute, passengers being served special birthday cakes prepared by Canadian National railway chefs.

## Communications . . .

### How to Stop the Trend of Traffic Away from Railroads

CHICAGO.

TO THE EDITOR:

Referring to your piece "You Can't Lick a Trend" in the April 13 *Age*—I believe you *can*—but not by rate adjustments alone. The record shows that downward revision of the rate structure for the past 19 years has brought no added tonnage to the American railroads. There has been and there still remains an over-emphasis on rates as the cure-all for railway ills. There are other factors which have influenced the trend away from rails and today these factors are more influential than the element of rates.

Railroads are just the office boys for business, in general. When commerce is active, the railroads are active. When industry lags, the railroads lag. When agriculture is ill, the railroads suffer. In other words, when the demand for goods of all classes falls, and for many reasons, the tonnage of the railroads falls. As tonnage falls, so does gross revenue. As gross revenue declines, net income fades. Above all else, when tonnage is not moving, no matter what the rate, the total volume of business, whether measured in tons or revenue, declines.

On the ineffectiveness of freight rate adjustment alone the record is plain—for in 1916, with tonnage totaling 2,179,696,043, the "average revenue per ton-mile" was 0.707 cents; in 1926, with a tonnage of 2,465,368,606, the revenue per ton-mile was 1.081 cents; and in 1936 the tonnage was 1,712,975,124 at a revenue per ton-mile of 0.974 cents. In 1937, with the lowest per ton per mile revenue since 1916—0.935 cents—the tonnage was 1,825,342,449, or 354,353,594 tons less than in 1916. The peak tonnage of 1929—2,451,601,084—produced 1.076 cents per ton-mile, which was 0.369 cents more than the 0.707 cent revenue of 1916.

### Rates Significant Only by Comparison with Other Fellow's

The story about passenger fares as related to passengers carried is similar, in that fares alone do not determine the patronage of railway trains. In 1921, 1,035,496,329 passengers were carried by the Class I railroads for an average revenue per passenger mile of 3.086 cents, while in 1937 only 497,288,356 passengers were carried at an average revenue per passenger mile of 1.795 cents, the lowest revenue per mile during the past 25 years.

Admittedly there are several outside factors that have affected the railroads detrimentally, such as unfair competition, over-regulation, and the like—but there is much that the industry can do to overcome handicaps for which it is in no small measure a responsible party.

Led by men of vision and courage, several of the railroads of this country have made moves to adopt plans and policies for the modernization of their organizations and facilities. They have recognized that the many items generally falling under the heading of service are of equal importance to the proper pricing of the product they have to sell—mass transportation.

Adaptation to the modern merchandising methods of industry and commerce, then, is one of the factors other than rates that will help to "lick the trend." Pick-up and delivery for l.c.l. merchandise shipments, co-ordinated rail and truck service, fast and frequent schedules with on-time performance, personal interest in the patron's shipping problem, willingness, preparedness and the desire to furnish dependable information when requested—all are but a few of the methods by which the trend away from the railroads can be influenced. There are many services that the railroads can render the shipper and traveler, who has indicated in many ways that he is willing and glad to pay the price for a service or a commodity that contributes to his welfare.

### To Lick a Trend, It Must Be Ended

However, trends are the results of attitudes of the mind. The trend away from the railroads began years ago. The belief that the railroads needed regulation by legislation was the beginning of a skepticism that has followed down through the decades.

Most of those from whom the railroads derive their revenues, until the past very few short years, have harbored the conviction that railroads, railroad owners and officers needed to be under the ever-wakeful and watchful eyes of the strong hand of the law. There is the implication in this belief that those who would do business with the railroads will not receive that to which they are entitled unless they have the protection of organized society to assure them a fair deal.

A change in the attitude of mind of the industry toward its patrons is the first essential toward stopping the trend away from the railroads. Too much does the industry think "the public," not "our friends." When railway management and railway employees are converted to the wisdom of correlating and co-ordinating their efforts toward delivering transportation in a more efficient, friendly and attractive manner than can be purchased elsewhere, and set themselves to the task of rendering that more desirable service, the beginning of the turn in the trend will be marked. When all persons in the greatest industry in the United States recognize that in this modern day "he profits most who serves best," and that every one of them is in business to deliver the goods first and making a living second, then will the tide be turned.

The first thing necessary in the movement to turn the trend is "to get our own house in order." As in a social order, the welfare of an individual may temporarily be jeopardized for the good of the whole. The railroad industry is torn by internal dissension and selfish strife which is sapping energy that should and could better be used to meet the many outside forces that have been and are at work to handicap and cripple the nation's most essential transportation system. Steps toward this solution have been taken. Individual railroads have made marvelous strides under the severest handicaps and trials. The industry as a whole, however, has failed to heed the soundness of General Grant's famous "the best defense is offense."

#### RRs Oughtn't to Have to Be Pushed Into Improvements

When the railroads present a united front in a friendly spirit, recognizing that their primary purpose is progressively to improve themselves in order that they may better serve their patrons and then aggressively merchandise their improved product, the trend will be changed. The best way to be given an opportunity to be of service is to indicate by every action and attitude that one wants to render assistance—to be of service. The defensive fight of the railroads has been a losing fight. Instead of being *pushed* into new and modern programs, railroads should assume leadership.

Such things as substituting truck service for costly rail movement of merchandise and carload traffic in terminal, short haul and branch-line service, consolidating of terminals, co-ordinating of facilities and the like will naturally follow a change in attitude. Shippers and passengers just as naturally will sense the change in attitude and will turn toward, and not away from, progressive railroads. The trend can be changed.

BERT MALTBY

EDITOR'S NOTE.—As to whether you can "lick a trend" or not—you can't if you attack it with measures which permit it to continue as a trend; it can be licked only by steps which kill it as a trend. That is the thought that the heading (which our correspondent disagrees with) was meant to convey. When electricity began to cut in on the gas business, the gas companies did not fight a losing battle against the trend of public patronage to a service which was superior to theirs. Instead they figured out that section of the prospective market which they believed they could serve better than any competitor; and they went out and gave the service and made the rates necessary to capture that market. The question the railroads have to determine is just what share of the transportation market is potentially and profitably theirs; then it will be up to them to do the things (including rate adjustments) needed to capture that market and hold it.

We have never contended that rate adjustments are the sole means of restoring prosperity to the railroads (see the note at the bottom of page 431 in the March 9 *Railway Age*), but correct pricing is one of the essentials of any successful merchandising effort, such as that in which our correspondent urges that the railways undertake. The fact that the railroads have made changes in rates and that traffic is still being diverted does not prove that rate adjustments are ineffective as a traffic builder.

Instead it may well be that many of the adjustments made have been inadequate to the purpose (as, for instance, in the case reported in our issue of April 27, page 735).

## Why Col. Wilgus Favors Socialization of Railroads

WASHINGTON, D. C.

TO THE EDITOR:

Major Buck's letter to you and your response in your issue of the 13th moves me to offer to you this comment in the hope that it will clarify my position.

A "R. R. Socialist," as I understand the term, is one who believes unqualifiedly in the public ownership of the railroads of the country, even though unitedly they might be able with integrity to serve the peace and war-time needs of the nation, maintain their properties in full, and earn a profit sufficient to attract to themselves ample new capital at moderate rates on sound terms for their rehabilitation and improvement. I do not share in that belief and, therefore, I do not deem myself to be a "R. R. Socialist."

What I do believe is that with the railroads disunited and as a whole in the bad condition set forth in your issue of January 7, 1939, with the earnings of the majority of them insufficient for the attraction of badly needed new capital, and with war clouds on the horizon, federal intervention is not only "not unlikely" as you say, but so inevitable as to demand steps in time for its wise control in the public interest. In this I am what I should term a realist who would see the railroad industry saved from "defeat," from "self-destruction," which otherwise it faces.

I would compare the situation to that of a man threatened by an oncoming monster, who should have the ingenuity and courage to capture and harness it to his ends, instead of merely uttering cries which will not save him from the fate he fears.

WILLIAM J. WILGUS

## Auxiliary Water Cars Save Operating Costs

(Continued from page 781)

miles, only one stop at Gale is necessary now, whereas previously at least two more water stops had to be made. This saves approximately 30 min. per train. Between Poplar Bluff and North Little Rock, 180 miles, freight runs make only one stop for coal and water, thus saving a minimum of two extra water stops.

Other advantages are found in the use of auxiliary water cars in work train service. A work train may now be kept in service on the job from 8 to 10 hr. without having to make a run for water. Another advantage is found in the fact that the use of auxiliary water cars, instead of longer and larger tenders, has enabled continuing in service the present turntables, enginehouses, etc., which, if longer and larger tenders had been used, would have had to be enlarged.

DARTMOUTH COLLEGE, HANOVER, N. H., joins Cornell and Rensselaer Polytechnic in re-awakening the interest of engineering students in the science of railroading through the construction and operation of a miniature railroad system. The college announces that 13 students and two faculty members of its Thayer School of Civil Engineering have, for the past year, carried on operation of the "Nigger Island & Pompanoosuc" a complete system in miniature, taking its name from a Connecticut River island below the college and a small Vermont village five miles north of Hanover, respectively. The lay-out contains more than 400 ft. of track, seven locomotives, 35 freight cars and six passenger-train cars and requires nine operators.



# NEWS

## S. 2009 Defended By Chairman Lea

Analyzes bill and discusses  
conferee's action at  
C. of C. round table

A short analysis of S. 2009 (the omnibus transportation bill) and a vigorous defense of the conferees' action in eliminating the highly controversial Miller-Wadsworth amendment, details of which are reported elsewhere in this issue, was given by Chairman Clarence F. Lea of the House interstate and foreign commerce committee in a round table on transportation held on May 1 as a part of the 28th annual meeting of the Chamber of Commerce of the United States. Mr. Lea spoke extemporaneously and a general discussion by members of the audience followed. Arthur M. Hill, president of the Atlantic Greyhound Corporation, presided.

Mr. Lea told his hearers that the pending bill would be enacted into law within three weeks and went on to predict that it would go far in solving the transportation ills of the country and in placing all forms of transportation (with the exception of air travel) on a self-supporting basis. He chided the water carriers for objecting to regulation, saying that they should certainly be regulated as long as the federal government is maintaining their right of way. Transportation, he concluded, is worthy of its hire, and transportation securities should once again become a safe investment for the country's savings.

The first questioner was Herman Bayless, representing the Ohio Valley Improvement Association and the Mississippi Valley Carriers Association, who told Mr. Lea that he was concerned about the elimination of the Miller-Wadsworth amendment after it had been adopted originally by both houses. As a result, he said, there is now no provision in the bill which would permit a carrier to reduce its rates without commission permission. Also Mr. Bayless wanted to know why the bill was being rushed through the Congress when there was no emergency present now as far as the railroads are concerned. He felt that there should be more time for study of the measure in view of the fact, he said, that there had been many new subjects and much new language added. Several congressmen had told him that they were not going to have sufficient time to study the bill before it is called up for action.

On this same point Harry C. Ames, representing the Mississippi Valley Barge

Lines, again asked Mr. Lea why the Miller-Wadsworth amendment had been thrown out. This time the Californian told him that the conferees believed the amendment was unworkable and that "it would constitute an absurdity in the rate system of the country." The object of the committee, he pointed out, was to make the bill workable, if it did nothing else. As a result, many things were left out which might have been all right, but the committee felt they would so burden the measure as to endanger its passage.

J. P. Haynes, traffic director of the Chicago Association of Commerce, wanted to know why the long and short haul clause had not been applied to truckers after the bill had extended it to include water carriers. Mr. Lea's answer was that the truckers did not travel great enough distances to come within the scope of this type of regulation.

Asked by Mr. Haynes as to why no provision for the regulation of forwarders was included in the bill, Mr. Lea replied that he favors regulation of forwarders and that he hopes to get some kind of "a skeleton form of forwarder regulation through at this session of Congress to act as a stop-gap until more mature legislation can be worked out."

E. F. Lacey, executive secretary of the National Industrial Traffic League, expressed the belief to Mr. Lea that the shipper should have been given the right to route his motor carrier shipments. Mr. Lea agreed that such might be a good idea, but simply said that the committee could not get everything in the measure.

On the subject of itinerant merchant trucking the round table adopted a resolution offered by H. S. Marx, vice president and general counsel of the Railway Express Agency, urging that states and municipalities enact statutes and ordinances requiring licenses and bonds for itinerant merchant truckers.

As its final action the round table adopted the report of the Chamber's transportation committee criticizing the accounting practices of the government-owned Inland Waterways Corporation, details of which were given in the *Railway Age* for April 13, page 676.

### Rail Finance Subcommittee Asks for More Money

Senator Truman, Democrat of Missouri, has introduced in the Senate S. Res. 264, which would authorize the interstate commerce subcommittee investigating railroad finance to expend from the contingent fund of the Senate \$5,000, with which to finish up certain printing which it has undertaken in completing its investigation.

## Suggests Trainload Rate on Gasoline

Examiner would have I. C. C.  
fix charge for unit  
of 25 carloads

Finding that the only relief which the Interstate Commerce Commission could lawfully give complaining mid-continent rail shippers of gasoline and natural gasoline would be the prescription of trainload or multiple-car rates to pipe-line terminals, Examiner C. E. Stiles has recommended in a proposed report the establishment of such rates on shipments of not less than 25 tank-car loads from mid-continent origin points to eight destinations in Western Trunk Line territory. The proposed report is in No. 28106, Petroleum Rail Shippers Association v. Alton and Southern Railroad et al.

Citing the commission's recent decision in the case involving trainload rates on molasses from New Orleans, La., to Peoria, Ill., and Pekin, the examiner finds that the instant proceeding also embraces "the necessary conditions precedent to the establishment of such rates." "Complainants' competitors," he explained, "are using a mode of transport (pipe lines) whose unit of transportation is not limited to single carloads. As shown herein, in connection with the discussion of the minimum tender requirement, . . . practically all the mid-continent refiners who are doing more than supplying local requirements are able to tender as a single unit, 5,000 barrels, or the equivalent of about 25 8,000-gallon tank cars." While Mr. Stiles points out that the spread between the rates on single carloads and the 25-car rate which he would prescribe is greater than the spread in costs between the two services as disclosed in the molasses case, he is nevertheless convinced that the rates he recommends would be "clearly in excess of the cost of handling 25-carload units, but will include a smaller profit per car than the rates on single carloads."

The multiple-car rates which the examiner would prescribe from origin points in mid-continent group 3 range from a proposed 17 cents per 100 lb. to Kansas City, Mo.-Kans., to 32 cents per 100 lb. to Minneapolis, Minn. Present rates applicable on single carloads range from 28 cents per 100 lb. to approximately 46 cents per 100 lb. Other recommended findings of the proposed report are summarized in the headnotes as follows: Rates on single carloads of refined petroleum

(Continued on page 795)

## 3 Months N. O. I. Was \$115,107,762

2.4 per cent return compares  
with \$85,959,925 or 1.79  
per cent last year

Class I railroads of the United States in the first three months of 1940 had a net railway operating income of \$115,107,762 which was at the annual rate of return of 2.4 per cent on their property investment,

months totaled \$505,669,106 an increase of 12.2 per cent compared with 1939, but a decrease of 23.7 per cent compared with 1930. Operating expenses in the first three months totaled \$368,659,151 an increase of 10.1 per cent above the same period in 1939, but a decrease of 27.9 per cent under the first three months of 1930. The Eastern district net for March was \$23,337,940 compared with \$21,590,641 in March, 1939, and \$32,182,039 in March, 1930.

Class I roads in the Southern district for the first three months had a net of \$19,523,316, or 2.36 per cent; for the same

## Road Cost Study for Vermont

Prof. Breed says general tax-  
payers gave \$41,000,000  
in 26 years

Users of Vermont's highways received a gift of \$41,000,000 for their "right-of-way" in the 26 years between 1913 and 1938, inclusive, and paid but 43 per cent of the total annual cost of highways and streets during that period, according to a 163-page study of road costs in the state by C. B. Breed, consulting engineer and professor of railroad and highway transportation at the Massachusetts Institute of Technology, and submitted to the Vermont State Railroads Association. The findings therein have been introduced as evidence in a legislative investigation of taxation and regulation of "the various instrumentalities of transportation" in the state for which hearings opened late in March.

The investigation is being carried on by a special board of representatives of the legislature, the Public Service Commission, the Railroad Tax Board and others under a joint resolution passed by Vermont Senate and House of Representatives in 1939 directing that the board "join in a study of the various instrumentalities of transportation in this state, and render a joint written report to the general assembly of 1941 (the legislature meets only in odd-numbered years) recommending any changes of regulation of such instrumentalities of transportation in the public interest and any changes in the methods or rates of taxation of such instrumentalities of transportation in the public interest which may assist the said general assembly to formulate and enact laws in conformity with a sound transportation policy."

So far as is known, the Breed study is the first effort to compile a complete record of highway costs in Vermont and gives a comprehensive picture of costs for all roads and streets since 1900. It is based upon the now familiar "public utility concept" of improved highways and its methods of determining costs and payment allocations follow along the lines of a study of highway costs for the entire country which Professor Breed, together with Professors Clifford Older and W. S. Downs, submitted to the A. A. R. in January, 1939, (reviewed in the *Railway Age* for February 18, 1939, page 310), and are similar to the study which Professor Breed made for the New York, New Haven & Hartford on highway subsidies in Massachusetts, Rhode Island and Connecticut (reviewed in the *Railway Age* for February 3, 1940, page 255).

The principles followed were, briefly, to calculate what general and land tax-payers were willing to pay *per capita* for roads and streets before their use by motor vehicles became prevalent (in the case of the Vermont study, before 1913); to compute the annual cost of all roads and streets, including in this figure amortization charges, interest, taxes on the depreciated or unamortized part of the capital cost and annually recurring expenses; and

### CLASS I RAILROADS — UNITED STATES

	Month of March		
	1940	1939	1930
Total operating revenues .....	\$327,009,238	\$315,091,017	\$447,314,318
Total operating expenses .....	248,594,010	240,358,779	347,107,974
Taxes .....	30,722,526	29,412,781	29,578,207
Net railway operating income .....	36,734,348	34,375,047	60,046,885
Operating ratio—per cent .....	76.02	76.28	77.60
Rate of return on property investment—per cent ..	1.86	1.74	3.02
	Three Months Ended March 31		
	1940	1939	1930
Total operating revenues .....	\$985,982,268	\$897,774,120	\$1,316,100,042
Total operating expenses .....	746,453,936	693,925,162	1,026,147,037
Taxes .....	91,938,259	86,089,133	86,757,597
Net railway operating income .....	115,107,762	85,959,925	173,060,112
Operating ratio—per cent .....	75.71	77.29	77.97
Rate of return on property investment—per cent ..	2.40	1.79	3.48

according to the Bureau of Railway Economics of the Association of American Railroads. In the first three months of 1939, their net was \$85,959,925 or 1.79 per cent, and in the first three months of 1930, it was \$173,060,112 or 3.48 per cent. The March net was \$36,734,348 or 1.86 per cent compared with a net of \$34,375,047 or 1.74 per cent in March, 1939, and \$60,046,885 or 3.02 per cent on investment in March, 1930.

Gross operating revenues for the first three months totaled \$985,982,268 compared with \$897,774,120 for the same period in 1939, and \$1,316,100,042 for the same period in 1930, an increase of 9.8 per cent in 1940 above 1939, but 25.1 per cent below 1930. Operating expenses amounted to \$746,453,936 compared with \$693,925,162 for the same period in 1939, and \$1,026,147,037 for the same period in 1930—7.6 per cent above the former, but 27.3 per cent below 1930.

Class I roads in the first three months of 1940 paid \$91,938,259 in taxes compared with \$86,089,133 in the same period in 1939, and \$86,757,597 in the same period in 1930. For the month of March alone, the tax bill amounted to \$30,722,526, an increase of \$1,309,745 or 4.5 per cent above March, 1939. Twenty-eight Class I roads failed to earn expenses and taxes in the first three months of 1940, of which 7 were in the Eastern district, 6 in the Southern district and 15 in the Western district.

Gross for March amounted to \$327,009,238 compared with \$315,091,017 in March, 1939, and \$447,314,318 in March, 1930; operating expenses totaled \$248,594,010 compared with \$240,358,779 in the same month in 1939, and \$347,107,974 in March, 1930.

The Eastern district net for the three months was \$74,535,139, or 2.91 per cent; for the same period in 1939, it was \$58,494,868 or 2.29 per cent while in 1930, it was \$97,348,395 or 4.22 per cent. Gross in the Eastern district for the first three

period in 1939, their net amounted to \$18,179,714 or 2.19 per cent, and for the same period in 1930 was \$24,914,286 or 2.85 per cent. Gross in the Southern district for the three months amounted to \$138,034,519 an increase of eight per cent compared with the same period in 1939, but a decrease of 22.6 per cent under the same period in 1930; operating expenses totaled \$103,161,432 an increase of 8.8 per cent above the same period in 1939, but a decrease of 25.7 per cent under 1930. March's net in the Southern district was \$6,692,099 compared with \$7,278,426 in March, 1939, and \$9,262,673 in March, 1930.

In the Western district for the first three months the net was \$21,633,353 or 1.53; for the same period in 1939 it amounted to \$9,285,343 or 0.66 per cent and for the same period in 1930, was \$50,797,431 or 2.84 per cent. Gross in the Western district for the first three months amounted to \$342,278,643 an increase of 7.2 per cent above the same period in 1939, but a decrease of twenty-eight per cent below the same period in 1930. Operating expenses totaled \$274,633,353 an increase of 3.9 per cent compared with the same period in 1939, but a decrease of twenty-seven per cent under the same period in 1930. For March alone, the Class I roads of the Western district had a net of \$6,704,309 compared with \$5,505,980 in March, 1939, and \$18,602,173 in March, 1930.

### First Cargo Service Air Line to Start in May

The first cargo service air line in the United States will be placed in operation between Dallas, Tex., and Brownsville, 450 miles, early in May by Texas Air Freights, Inc., Love Field, Dallas. Plans call for midnightly departure from Dallas and early morning arrival at Rio Grande Valley points. Northbound trips will leave the valley cities in the late afternoon and will arrive in Dallas at 2 a.m.



to add up the actual payments by highway users. Professor Breed then allocated to each class of motor vehicle its fair share of highway cost according to vehicle-miles and ton-miles and special requirements of weight and size. From these factors he drew his conclusions as to the extent of subsidy to highway users by general and land tax-payers.

Investigation of per capita expenditures on roads prior to 1913 led to the adoption of \$1 per capita of population for state-aid roads, \$1.85 per capita for town roads and \$1.55 per capita of city and village population for city and village streets as "norms" for the share of general tax-payers, which amounts are substantially the same as per capita road expenditures in 1910. For each year succeeding these per capita rates were multiplied by the population to which they applied and the totals considered as the proper portion of annual highway cost to be charged against the general public.

Professor Breed found that for the 26-year period from 1913 to 1938, inclusive, the sum of annual highway and street cost amounted to \$138,000,000. Motor vehicle payments amounted to \$60,000,000 of that, leaving \$78,000,000 paid from general tax sources. Thus highway users actually paid about 43 per cent of the annual cost of highway and streets and the public assumed about 57 per cent. However, according to the per capita formula the general public's fair share should have been only \$37,000,000, or 27 per cent of the total annual cost, while highway users as a class should have paid \$101,000,000, or 73 per cent. Hence, according to the cost allocation of the study, highway users received a subsidy of about \$41,000,000 for the 26-year period. In determining the actual payments of highway users, the study took account of state registration license fees and the state gasoline tax. W. P. A. and other federal relief funds spent on highway projects in Vermont, were treated one-half as a proper charge to highway improvement and one-half as a proper charge to public benefit.

For the year 1938 alone, the study found that the road cost chargeable to motor vehicles was \$8,894,281, while they actually paid \$4,914,359; thus there was a subsidy of \$3,979,922. As allocated among the various types of motor vehicles, this subsidy varied according to the factors outlined above. Thus it was concluded that private passenger automobiles were subsidized to the extent of \$31 each and common carrier busses having a capacity of over 20 passengers, by \$54, while the deficits of trucks varied from \$36 for a privately-owned vehicle of  $\frac{3}{4}$  tons and less to \$639 for a common carrier or contract truck of over five tons' capacity. The largest subsidy was accorded to truck-and-trailer combinations (for-hire) of over five tons—\$748.

In his discussion of the study, the author made it clear that by reason of its sparse population and difficult terrain, Vermont incurs higher road costs per vehicle than other states covered in former studies. For example the state has but six motor vehicles per-mile-of-road, in contrast with 39 per-mile in Massachusetts; the annual highway cost in Massachusetts is six times

### Johnson Named for I. C. C.

President Roosevelt on May 2 sent to the Senate the nomination of Assistant Secretary of Commerce J. Monroe Johnson of South Carolina to be a member of the Interstate Commerce Commission, succeeding Marion M. Caskie who resigned effective April 1. In his present position Mr. Johnson has had supervision over the Bureau of Marine Inspection and Navigation and over the Inland Waterways Corporation since the latter's transfer from the War Department. The appointment is for Mr. Caskie's unexpired term which runs until December 31, 1941.

as much as in Vermont, but there are 10 times as many vehicles to share those costs.

Professor Breed also made it clear that most of Vermont's highways are of light construction; only a limited mileage of high-type pavements have been built and this mileage is for the most part but 18 ft. wide and 7 in. thick. "An increase in truck traffic together with the recent increase in legal wheel load will be liable to cause failures in these light roads and require early reconstruction at considerable expense. The allocation made in this study is based upon the cost of facilities actually provided. Since Vermont highways generally have not been built up to heavy truck standards, the proportion charged to this heavy type of traffic is relatively less than in other states where traffic is heavier and truck roads have had to be provided. The charges derived in this study do not reflect adequately the damage, inconvenience and increased cost which will be caused by this type of traffic in the future. The Vermont system has been built largely for light-weight vehicles, and hence the passenger class of vehicle bears a major portion of the cost."

Hearings by the special board will be resumed on May 8 at Montpelier, when representatives of shippers, railroads and trucking interests will be heard in a three-day session.

### Interstate Commerce Acts Annotated

Senator Tydings, Democrat of Maryland, has introduced "by request" Senate Resolution 259 which provides for bringing up to date the compilation entitled "Interstate Commerce Acts Annotated."

### U. S. Supreme Court Orders

The United States Supreme Court, at its April 29 session, in disposing of a jurisdictional question, ruled that the federal district court for Connecticut should adjudicate a controversy between the New York, New Haven & Hartford and the Boston & Providence regarding losses arising out of operation of the B. & P. by the New Haven. The jurisdictional dispute arose when the Connecticut court attempted to place a lien against the B. & P. which is in reorganization in the Massachusetts federal court. The Massachu-

setts court took the position that it had exclusive jurisdiction over the B. & P. estate.

At the same session the Court denied a writ of certiorari in the case of the Railroad Credit Corporation v. Southern Railway Company where the R. C. C. sought to obtain a review of a lower court decision which denied the Credit Corporation a preferred position with respect to certain obligations of the Mobile & Ohio. Details of this decision were given in the *Railway Age* for March 23, page 561.

### Club Meetings

The Traffic Club of Newark, N. J., will hold its next regular meeting at the Robert Treat hotel, on May 6. T. V. Rodgers, president, American Trucking Association, will speak on "Highway Transportation." The May golf outing of the association will be held at the Crestmont Golf club, on May 23.

### Kurn Resigns from A. A. R. Board

J. M. Kurn, co-trustee of the St. Louis-San Francisco, has resigned from the board of directors of the Association of American Railroads. Mr. Kurn's resignation, brought about by the pressure of other business, was announced following April 26's Washington, D. C., meeting of the board.

### House Committee Reports Pension Act Amendment

The House committee on interstate commerce has reported favorably House Joint Resolution 496, providing amendments to the Railroad Retirement Act and the Carriers Taxing Act designed to remove Mexican employees of the Pullman Company from coverage and thus avoid complications which have arisen in connection with the deduction of pension-tax payments from the wages of such employees.

### Bankers Association President Will Address Treasury Officers

Robert M. Hanes, president of the American Bankers Association, will address the annual meeting of the Treasury Division, Association of American Railroads, to be held at Roanoke, Va., on October 10 and 11, according to a recent announcement from E. R. Ford, secretary of the Division. I. W. Booth, vice-president of the Norfolk & Western in charge of finances, is chairman of the committee on arrangements for the meeting.

### "Daylights" Now Depart Morning and Noon

The four "Daylights," streamlined trains of the Southern Pacific, are now being operated as the Morning and Noon Daylight streamliners between San Francisco, Cal., and Los Angeles. The Morning Daylight leaves each terminal at 8:15 a. m., as previously and arrives at 5:45 p. m. or 15 min. earlier than before. The Noon Daylight leaves at 12 m. and arrives at 9:40 p. m. The 470 miles is covered in  $9\frac{1}{2}$  hr. and  $9\frac{3}{4}$  hr. by these trains respectively.

The first Daylight trains were placed in service on March 21, 1937, and were sup-

plemented by two more trains on January 10, 1940. Morning and noon service was established on March 30, 1940.

### Freight Car Loading

Revenue freight car loadings for the week ended April 27 totaled 644,520 cars, the Association of American Railroads announced on May 2. This was an increase of 16,178 cars, or 2.6 per cent, over the preceding week; an increase of 59,330 cars, or 10.1 per cent, above the corresponding week in 1939; and an increase of 101,431 cars, or 18.7 per cent above the same week in 1938.

As reported in last week's issue, loading of revenue freight for the week ended April 20 totaled 628,342 cars, and the summary for that week, as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loading			
For Week Ended Saturday, April 20			
Districts	1940	1939	1938
Eastern .....	137,809	130,903	111,345
Allegheny .....	128,142	104,206	97,756
Pocahontas .....	45,285	13,535	32,174
Southern .....	98,011	92,003	86,557
Northwestern ..	78,204	73,436	64,592
Central Western ..	97,047	99,017	88,913
Southwestern ..	43,844	44,767	42,411
Total Western Districts ....	219,095	217,220	195,916
Total All Roads	628,342	557,867	523,748
Commodities			
Grain and grain products .....	34,163	30,752	32,767
Live stock .....	11,304	13,309	12,276
Coal .....	113,493	66,898	75,359
Coke .....	7,525	5,710	3,845
Forest products ..	32,096	28,450	24,162
Ore .....	15,164	12,813	9,442
Merchandise l.c.l.	148,150	152,035	148,075
Miscellaneous ..	266,447	247,900	217,822
April 20 .....	628,342	557,867	523,748
April 13 .....	618,810	547,179	537,585
April 6 .....	602,697	534,952	522,049
March 30 .....	628,278	600,691	523,489
March 23 .....	619,886	601,948	572,952

Cumulative Total,  
16 Weeks ... 10,014,683 9,188,249 8,742,063

In Canada.—Carloadings for the week ended April 20 totaled 51,132, as compared with 50,348 in the previous week and 44,-

066 a year ago, according to the summary of the Dominion Bureau of Statistics.

Total for Canada:	Total Cars Loaded	Total Cars Rec'd from Connections
Apr. 20, 1940 .....	51,132	25,779
Apr. 13, 1940 .....	50,348	23,935
Apr. 6, 1940 .....	49,701	26,116
Apr. 22, 1939 .....	44,066	20,639

Cumulative Totals for Canada:	Total Cars Loaded	Total Cars Rec'd from Connections
Apr. 20, 1940 .....	755,661	390,757
Apr. 22, 1939 .....	654,813	337,664
Apr. 23, 1938 .....	709,084	347,699

### Notice of Changes in Contract Carrier Schedules

The Interstate Commerce Commission, in an order by Commissioner Aitchison, has postponed from May 1 until August 1 the effective date of Division 2's recent order amending the commission's tariff regulations to require that the minimum-rate schedules of contract motor carriers shall henceforth be alterable only upon 30 days' notice. The proceeding is docketed as Ex Parte No. MC-33, and Division 2's report was reviewed in the *Railway Age* of April 13, page 682.

### Calling Ventilated Box Cars Home to Southeastern Roads

The Car Service Division of the Association of American Railroads has put out a "1940 reissue" of Special Car Order No. 37, calling for the prompt return to home roads of ventilated box cars owned by the Atlantic Coast Line, Central of Georgia, Charleston & Western Carolina, Louisville & Nashville, Seaboard Air Line and Southern. The order was required "account impending very heavy movement of perishable freight, principally watermelons and potatoes, with a reduced and possibly inadequate supply of ventilated box cars."

### Pacific Railway Club to Meet May 10 at Salt Lake City

The Pacific Railway Club will hold its next meeting at the Newhouse hotel, Salt Lake City, Utah, on May 10. Although the organization usually alternates its meet-

ings between San Francisco, Cal., and Los Angeles, by special request of its members in the Intermountain Territory, it will meet this month in the Utah capital. Representatives of the Union Pacific, Southern Pacific, and Denver & Rio Grande Western will discuss the topic, "What Can We Do to Bring Business Back to the Railroads."

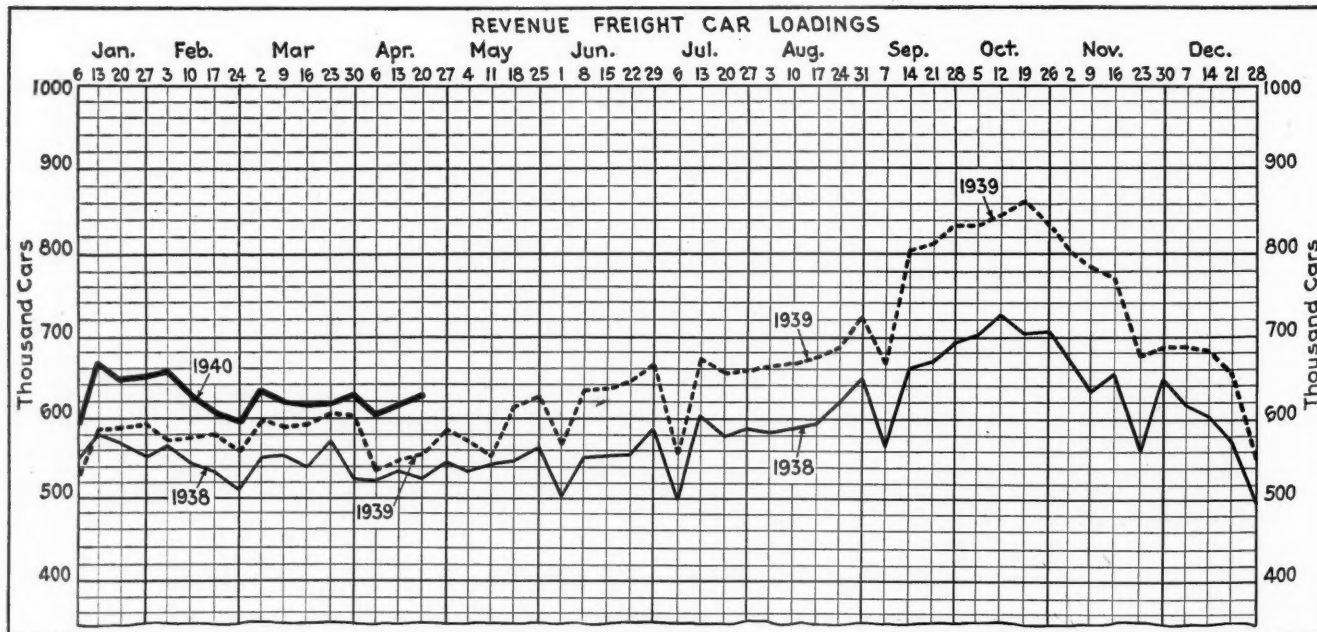
### Railroads Run Trips for Fans

The West Shore (New York Central) and the New York, Ontario & Western will operate a combination railroad hobby and camera trip over an interesting route in lower New York State on May 12, during apple blossom time. The route will follow the West Shore from Weehawken, N. J., to Cornwall, N. Y., thence via the O. & W. to Campbell Hall, thence via the Wallkill Valley branch, West Shore, to Kingston. The party will return via the Kingston branch of the O. & W. to Summitville, thence to and from Port Jervis, on the P. J. & M. branch and return via the main line.

In connection with the annual Railroad Enthusiasts' inspection of its Harmon, (N. Y.) shops on May 26, the New York Central will operate a special train over the tracks of its West Side freight line starting at St. John's Park terminal.

### Erie Subsidiaries Cut Fares After Dropping Unprofitable Runs

The Northern of New Jersey and the New Jersey & New York, commuting roads in northern New Jersey operated by the Erie, have made reductions in commutation and weekly tickets applying between certain specified points and New York, effective June 1. These roads which have suffered keenly from bus competition and which have successively reduced passenger service during the last few years to a skeleton service which eliminates all Sunday service and virtually all off-hour service, have found that savings in operating expenses accruing therefrom make it pos-





sible to cut fares so as to encourage increased traffic for the rush-hour trains which remain.

The reductions involve no change in the basic rate per trip but are effected through the issuance of new 54-trip monthly commutation tickets in place of the present 60-trip tickets and 12-trip weekly tickets in place of 15-trip weeklies. Suburbanites have complained that they rarely use up the trips on present tickets and that a majority do not even ride on Saturdays, thus wasting approximately 20 trips on the monthlies.

A typical fare-change is a reduction from \$11.70 (for 60 trips) to \$10.90 (for 54 trips) between New York and Westwood, N. J., approximately 22 mi.

### S. A. L. to Celebrate Centenary of Predecessor Road at Raleigh

In celebration of the centennial of the Raleigh & Gaston, a predecessor road of the Seaboard Air Line, an elaborate ceremony will be held in Raleigh, capital of North Carolina, on May 21. On its part, the Seaboard will operate a special train over the route of the original road which will leave Thelma, N. C., and pick up passengers at the original stops made in 1840 for conveyance to Raleigh where they will participate in the all-day celebration.

The Raleigh & Gaston was chartered in 1835 and opened in 1840; it linked Raleigh with the completed Greenville & Roanoke.

### Bridge Bill Reported in House

The House committee on interstate and foreign commerce on April 30 reported favorably H. R. 9381, the so-called "bridge bill" introduced by Representative Hobbs, Democrat of Alabama, to provide relief for railroads with respect to the cost of reconstructing bridges required to be altered in connection with navigation projects. This and a similar bill put in the Senate by Senator Truman, Democrat of Missouri, were introduced after the conferees on S.209 had decided to eliminate the bridge provisions from that omnibus bill. The Truman-Hobbs bridge bill passed last year was vetoed by the President.

### Fan Society to Hold "Stump the Pennsylvania" Night

Borrowing a basic idea from the weekly radio program "Information, Please," the Railroadians of America have arranged to have picked officers of the Pennsylvania appear as a battery of brains at their next meeting, scheduled for May 10, in the Pennsylvania Railroad Y. M. C. A., New York. Railroad devotees are invited to send in written questions before May 7, which must pertain to the motive power, traffic, roadway, or operating departments of the Pennsylvania. The most interesting will be selected for answer by the experts. A tour of the Pennsylvania station facilities will precede dinner to be served in the "Y" at 6:15 p. m.

### President Signs Two Bills

President Roosevelt has signed the independent offices bill carrying appropriations for the Interstate Commerce Commission and the Public Roads Administration for the fiscal year ending June 30,

1941. As finally enacted into law the measure allocates \$9,058,750 to the commission, while there is included in the Public Roads figure an item of \$25,000,000 for railroad grade crossing elimination.

The President has also approved an act to amend the locomotive inspection act of February 17, 1911, so that the titles of chief inspector and assistant chief inspectors of locomotive inspection are changed to director and assistant directors of locomotive inspection, respectively.

### 1939 Commodity Statistics

The Interstate Commerce Commission has issued its freight commodity statistics of Class I railways for 1939, showing that

	Number of tons originated	
	1939	1938
Products of agriculture .....	91,564,116	95,389,713
Animals and products .....	15,049,346	14,760,144
Products of mines .....	496,938,982	408,834,921
Products of forests .....	50,155,755	43,973,197
Manufactures and miscellaneous .....	233,086,187	194,511,738
All L. C. L. freight .....	14,874,949	14,392,307
Total .....	901,669,335	771,862,020

	Freight revenue	
	1939	1938
Products of agriculture .....	\$516,776,024	\$527,272,319
Animals and products .....	166,180,796	161,086,165
Products of mines .....	945,284,497	795,964,452
Products of forests .....	206,630,249	172,854,450
Manufactures and miscellaneous .....	1,288,717,909	1,076,458,033
All L. C. L. freight .....	252,273,611	240,501,670
Total .....	3,375,863,086	2,974,137,089

\* Decrease.

Per cent increase or decrease

4.0  
2.0  
21.6  
14.1  
19.8  
3.4  
16.8

Per cent increase or decrease

2.0  
3.2  
18.8  
19.5  
19.7  
4.9  
13.5

during that year the carriers originated 901,669,335 tons as compared with 771,862,020 tons for 1938, an increase of 16.8 per cent. At the same time freight revenue was up 13.5 per cent from \$2,974,137,089 for 1938 to \$3,375,863,086 for 1939.

The breakdown for the various commodity groups follows:

### New York Takes Over Section of Westchester Line

The City of New York took title to the section of the inoperative New York, Westchester & Boston lying wholly within the city between 17 4th street and Dyer avenue, Bronx borough, on May 1. The city comptroller turned over two checks for \$1,402,201.01 and for \$379,298.99, respectively, representing the total purchase price, to J. L. Dohr, recently for the road. The latter check was returned to the city immediately in payment of taxes owed by the line. Operation of the suburban electric road was suspended December 31, 1937. It is reported that operation of the portion which the city has purchased will probably begin in the Fall. The road will not be operated as an integral part of the New York subway system, but as a separate rapid transit line at a straight 5-cent fare.

### B. & A. Seeks to Cut Boston Suburban Service

The Boston & Albany (part of the New York Central System) has filed a petition with the Massachusetts Department of Public Utilities seeking the rearrangement of off-hour schedules of suburban trains

between Boston and Framingham, involving the net cancellation of a total of 15 trains. The service-curtailed plan provides that in most cases a new run be operated approximately half way between two cancelled runs to effect a minimum of inconvenience to patrons.

From Boston to Riverside via the main line (approximately 11 mi.), three fewer trains would be operated than at present and in the reverse direction, one train would be withdrawn. From Boston to Riverside via the Highland Circuit branch, a total of four trains would be dropped altogether, while in the reverse direction, 6 fewer runs would be operated. The plan provides also that one train from Boston

to Framingham (21 mi.) be cancelled. In several instances, Framingham trains would make additional stops between Boston and Riverside in substitution for cancelled locals.

### March Truck Loadings Show Rise Over February

Following the trend of previous years, truck loadings of revenue freight in March rose substantially above the volume transported in February, according to tonnage reports compiled by the American Trucking Associations. Traffic in March exceeded the volume in February by 7.7 per cent, and also represented an increase of 5.9 per cent over March, 1939.

Comparable reports were received from 254 motor carriers in 40 states who transported an aggregate of 1,226,603 tons. These same carriers reported a total of 1,139,144 tons in February, and 1,158,017 tons in March of last year. The A. T. A. index figure, computed on the basis of the 1936 monthly average tonnage of the reporting carriers as representing 100, stood at 126.35 for March; in February, the index figure was 117.55; and in March, 1939, it was 118.98.

Increases were reported in the movement of every type of commodity transported by the reporting firms. Seventy-five per cent of all the freight transported during the month was reported by carriers of general merchandise. The volume of general merchandise carried increased 6.9 per cent over February and 4.5 per cent over March, 1939. Transporters of petroleum products, accounting for slightly more than 11 per cent of the total tonnage

reported, showed an increase of 5.2 per cent in March, as compared with February, and an increase of 9.2 per cent over March of last year. Movement of new automobiles and trucks, constituting 4.5 per cent of the total tonnage, increased 16 per cent over February, and 13.7 per cent over March, 1939. Increases in this class were attributed to an upward trend in production of new vehicles. Iron and steel products represented about 4 per cent of the total reported tonnage. The volume of these commodities increased 18.8 per cent over February, and 17.7 per cent over March, 1939.

### U. P. Will Operate Special to "Surprise Party" Convention

Special menus designed by the Union Pacific in keeping with the spirit of the occasion will be featured on the Gracie Allen Special train which will carry Gracie Allen and George Burns, radio comedians, over that road to their "Surprise Party" convention and the Golden Spike Days celebration at Omaha. This convention, with all the fanfare of an old-time presidential tour, will be held during Omaha's "Golden Spike Days" celebration, May 15-18.

Gracie's special will have nine cars when it leaves Hollywood on May 9, and it will add another at Rock Springs, Wyo.,

where the Union Pacific Coal Company Scotch Kiltie Band will join the entourage. The guests will be Gracie, George Burns and their assistants. Two cars of the special, when it leaves Hollywood will carry the Union Pacific "Majorettes" and the Omaha Union Pacific's 50-piece band, which will play the campaign song "Vote for Gracie." The train is scheduled to make a number of stops during its trip and will stay at Las Vegas, Salt Lake City, Cheyenne, Denver and North Platte for a number of hours. At more than a score of points local celebrants will greet the party in typical western campaign style. The special will pull into Omaha at 4 p. m. on May 14 when the "Golden Spike Days" events will begin with Miss Allen in the leading role.

The menus for the special train are a combination of campaign artistry and culinary skill. Five breakfast menus are cut-outs of kangaroos, the party symbol, so designed that the animal holds the bill of fare. The beverage list is attached to a baby kangaroo whose head protrudes from its mother's pouch. The luncheon menus of rectangular shape all have pictures of the kangaroo. One is a "Vote for Gracie" poster with a bill of fare on the opposite side. One dinner menu is a sample ballot on which the passenger votes for each selection of food. Another with the caption

"It's in the bag," is enclosed in a sack which can be mailed from the train.

### January Accident Statistics

The Interstate Commerce Commission's completed statistics of steam railway accidents for the month of January, 1940, now in preparation for the printer, will show:

Item	Month of January	
	1940	1939
Number of train accidents .....	764	500
Number of casualties in train, train-service, and nontrain accidents:		
Trespassers:		
Killed .....	99	114
Injured .....	98	140
Passengers on trains:		
(a) In train accidents*		
Killed .....	1	..
Injured .....	176	20
(b) In train-service accidents		
Killed .....	1	1
Injured .....	148	146
Travelers not on trains:		
Killed .....	..	1
Injured .....	90	89
Employees on duty:		
Killed .....	70	31
Injured .....	1,881	1,414
All other nontrespassers:†		
Killed .....	201	136
Injured .....	729	553
Total—All classes of persons:		
Killed .....	372	283
Injured .....	3,122	2,362

\* Train accidents (mostly collisions and derailments) are distinguished from train-service accidents by the fact that the former cause damage of more than \$150 to railway property.

† Casualties to "Other nontrespassers" happen chiefly at highway grade crossings. Total highway grade-crossing casualties for all classes of persons, including both trespassers and nontrespassers, were as follows:

Number of accidents .....	484	364
Persons:		
Killed .....	197	137
Injured .....	583	423

### Senate Hearings on Forwarder Bills Set for May 24

A subcommittee of the Senate interstate commerce committee will begin hearings on May 24 on S. 3665 and S. 3666, bills designed to regulate freight forwarders. The subcommittee will be composed of Chairman Wheeler, Democrat of Montana, Senators Hill, Democrat of Alabama, and Reed, Republican of Kansas.

S. 3665 is the bill embodying the views of Chairman Eastman of the Interstate Commerce Commission, while S. 3666 contains a modification of the Eastman draft in accordance with the views of the Freight Consolidators & Forwarders Institute. As noted elsewhere in this issue the House conferees on S. 2009 stated in their report that the Senate committee would consider these bills in lieu of the pending investigation (called for in Senate Resolution 146) of railroad methods of handling l. c. l., express and forwarder traffic.

### Senate Passes \$150,000,000 Rivers and Harbors Bill

The Senate on April 25 passed and sent to conference its \$150,000,000 version of H. R. 6264, the rivers and harbors authorizations bill which passed the House last year as an \$83,000,000 measure. On the previous day, as noted in last week's issue, the Senate struck out the authorizations for the \$66,000,000 Tennessee-Tombigbee waterway and the \$23,700,000 Umatilla Dam, which had been included in the \$23,000,000 bill reported from the Senate committee on commerce.

Meanwhile President Roosevelt's oppo-



Two of the Special Menus Designed by the Union Pacific for Use on the Special Train



sition to enactment of an authorization bill at this session was reiterated in a letter he recently sent to Chairman Mansfield of the House committee on rivers and harbors in response to the latter's inquiry as to the President's attitude with respect to the bill's \$34,509,000 authorization for work in the East River, New York. The President's reply indicated that he remains opposed to adding at this time to the backlog of rivers and harbors authorizations, except to provide for construction of additional locks on the Panama Canal. As noted in recent issues of *Railway Age*, the President had previously expressed similar views to a delegation from the Senate committee on commerce.

### Uniform Charge for Porters Extended

The uniform charge for red cap porter service which has been in effect for some time at Union station in Washington, D. C., and Cincinnati, Ohio, and at certain stations on the Pennsylvania, has been extended to include most important points in the East. The New York Central announces that such a service was placed in effect at all principal stations where red cap service is provided, effective May 1, except at Grand Central Terminal, New York, where the arrangement will take effect on a later date. The Pennsylvania now has the service in operation at all principal stations on the system. It is reported that the charge basis was also put into effect at principal stations of the New England roads on April 28.

Under the uniform charge plan red caps issue a check for each bag or parcel handled. They collect this check and 10 cents upon delivery where directed by the passenger. It is reported that the International Brotherhood of Red Caps is taking legal action against the charge-system. Counsel for the union declared that red caps would not share proportionately according to the amount of fees collected, but would receive the legal minimum wage of 30 cents per hour. He stated that "the red caps recognized the evils inherent in the tipping system but feel that it should be replaced by something more equitable than the lowest statutory minimum wage." The union is fighting the new plan on the grounds that the Railway Labor Act prohibits a change in method of payment without a change in working agreements.

### New Haven Revises B. & P. Schedules

Local passenger train schedules will be revised on the Boston & Providence section of the New York, New Haven & Hartford in line with the plans of the trustees to reduce losses on passenger service in the Boston (Mass.) area. Several lightly-patronized trains will be discontinued between Boston and Dedham, Blackstone, North Easton, New Bedford and Fall River. In each direction one train will be discontinued on the Dedham, Blackstone and Fall River lines, two on the New Bedford line and three between Canton junction and North Easton. All these and intermediate points will continue to have substantially the same number of trains operating at present in the

busy morning and evening periods, the trains to be discontinued being trains now operating within a few minutes of those which will be continued, or at times of day when the travel is so light as not to justify their operation.

There will be no reduction and only minor changes in time on Needham trains and on the B. & P. main line. On the West Medway line, two trips will be operated by gasoline rail-motor cars in each direction connecting with Needham trains at Needham junction, instead of one steam train in each direction as at present.

### More Than 1,000 Representatives Attend Sales Meeting

More than 1,000 passenger traffic department representatives attended the fifth annual get-together sales meeting held in Chicago on April 29 under the sponsorship of the Trans-Continental and Western and the Central Passenger associations to further interest and knowledge in the sale of railroad passenger service. The program included three addresses and some entertainment.

D. Leo Dolan, chief of the Dominion Government Department of Transport of the Canadian Travel Bureau and secretary of the Canadian Association of Tourist and Publicity Bureaus, spoke on the Important Part Railways Play in the Development and Handling of Tourist, Pleasure and Business Travel. He described the importance of tourist travel between the United States and Canada.

Homer J. Buckley, president of Buckley, Dement & Company, talked on the Organization Spirit that Makes for Success. He discussed the qualifications essential to successful salesmanship.

H. F. McCarthy, passenger traffic manager of the Boston & Maine, spoke on The Advancement of Passenger and Ticket Men Through Sales Ability. He emphasized the need for greater sales effort on the part of railroads particularly in view of the effects of the present war in stimulating airplane development and manufacture to such an extent as to foreshadow lower initial costs and fares and stronger competition. Advancement of passenger and ticket men, he said, bears a definite relationship to one's ability to recognize an opportunity, to have the energy with which to develop an idea and the enthusiasm necessary to carry it to completion. He encouraged salesmen to search for ways and means for creating passenger traffic and to submit their ideas to their officers.

### High Court Hears Issues in Maximum Hours Case

The case in which the American Trucking Associations, Inc., and several individual truck lines are attempting to force the Interstate Commerce Commission to assert jurisdiction over non-operating employees of common and contract motor carriers in respect to the fixing of maximum hours of service was orally argued before the United States Supreme Court on April 26. The government through the Solicitor General's office was represented by Thomas Harris, while the A. T. A. case was presented by J. Ninian Beall, general counsel

of the truckers group. A special three-judge court of the United States district court for the District of Columbia had ruled against the commission in a decision handed down last December, details of which were given in the *Railway Age* for December 9, 1939, page 897. In that decision the court held that the commission was in error in deciding that its authority to prescribe maximum hours of service of common and contract motor carrier employees was limited to prescribing such regulations for those employees whose activities affect the safety of operations, i. e., for drivers only.

Mr. Harris, for the government, contended that the commission had power to fix the hours of service for drivers only and that no authority had been delegated by Congress to regulate the hours of all employees in the motor carrier industry. To support his thesis, the government counsel cited the legislative history of the disputed section of the Interstate Commerce Act which, the A. T. A. alleges and the lower court held, gives the commission power over the hours of all common and contract motor carrier employees.

(It might be pointed out that the real issue involved in the case is whether the Interstate Commerce Commission or the Wages and Hours Administration is to have jurisdiction over these non-operating employees. Because of the fact that the commission feels that it has authority only to regulate maximum hours on the basis of safety, the truckers prefer to have all their employees come under this regulation rather than under the Wages and Hours Administration which is called upon by its statute to administer the law from a sociological viewpoint rather than from one of safety.)

Mr. Harris contended that ex-Commissioner McManamy, in testifying before the Senate interstate commerce committee on the Motor Carrier Act, discussed the maximum hours provision as applying only to drivers and operating employees. Moreover, the government attorney could not believe that such a general provision prescribing maximum hours for the entire industry could have gone through both houses of Congress without any discussion. He also argued that because the commission had not asked for any such extensive power and had had no previous experience in the regulation of hours of non-operating employees, it was unreasonable to suppose that Congress intended that it be given any such broad power.

He also pointed out to the court that since Congress did not set up any standards for the regulation of the non-operating employees, it was not to be presumed that such regulation was intended. In closing his case, Mr. Harris told the Court that during the hearings on the Motor Carrier Act in both houses the subject of exemptions for drivers was mentioned some 16 times by counsel for the A. T. A., while at no time was there any discussion of non-operating employees, thus giving the impression, he said, that the A. T. A. did not consider that the disputed section of the Motor Carrier Act referred to the latter type of employees.

Mr. Beall contended that the commis-

sion had jurisdiction over all employees of common and contract motor carriers. In meeting the government's objection that the delegation of this broad power to the commission would frustrate the philosophy of the Wages and Hour Act, Mr. Beall pointed out that transportation employees had been singled out for special legislative treatment in numerous acts, such as the Railway Labor Act and the Clayton Act, and the Railroad Retirement Acts. Admitting that the statute was broad in its scope and somewhat indefinite, he cited the recent decision of the Court in the Rock Island case as supporting the contention that the commission has an extensive delegation of power in labor matters. (In the Rock Island case the court held that the commission had authority to force a railroad to make provision for displaced employees as a condition precedent to approving a merger of the parent company with its Texas subsidiary.)

### Grade Crossing Authorizations for Fiscal 1942 and 1943

Authorizations for appropriations of \$50,000,000 for grade crossing elimination and protection work in each of the fiscal years ending June 30, 1942, and June 30, 1943, are carried in H. R. 9575, the federal aid highway authorizations bill introduced on April 29 by Chairman Cartwright of the House committee on roads. The grade-crossing appropriation for the current fiscal year ending next June 30 is \$20,000,000 while for fiscal 1941 it is \$30,000,000.

The bill is a substitute for H. R. 7891 at the hearings on which Judge R. V. Fletcher, vice-president and general counsel of the Association of American Railroads, urged a restoration of the grade-crossing figure

to the \$50,000,000 which had been appropriated for fiscal 1938 and 1939. The bill also authorizes a federal-aid highway appropriation of \$125,000,000 for each of the fiscal years 1942 and 1943, as well as \$25,000,000 to be expended in each of those years on secondary or feeder roads.

There is a provision whereby a state may receive federal-aid highway funds without matching the same if the Federal Works Administrator finds it is unable to do so, provided the administrator also finds that all the proceeds of such state's motor vehicle taxes are applied to highway purposes or that 90 per cent of such proceeds are applied to the administration, operation and maintenance of the state highway system or to the interest on obligations for the payment of which the revenues have heretofore been pledged.

Another section of the bill amends subsection (c) of section 1 of the Federal Aid Highway Act of 1938 to read as follows:

"Hereafter the construction of highways by the States with the aid of Federal funds may include such roadside and landscape development, including such sanitary and other facilities as may be deemed reasonably necessary to provide for the suitable accommodation of the public, all within the highway right-of-way and adjacent publicly owned or controlled recreational areas of limited size and with provision for convenient and safe access thereto by pedestrian and vehicular traffic, and the purchase of such adjacent strips of land of limited width and primary importance for the preservation of the natural beauty through which the highways are constructed, as may be approved by the Public Roads Administration; and not to exceed 5 per cent of the federal-aid funds

apportioned to and matched by any state under this act may be used for the purchase of such adjacent strips of land without being matched by the states."

Another section of the bill would authorize the Reconstruction Finance Corporation to cooperate with states in financing the acquisition of property necessary or desirable for highway projects eligible for federal aid.

### "Proportionals" Question Argued in Supreme Court

The question of whether certain trucking companies are to be permitted to publish "proportional" rates for certain classes of commodities was argued before the United States Supreme Court on April 26 and 29 in the United States and the Interstate Commerce Commission vs. the Chicago Heights Trucking Co., the case wherein the trucking companies undertook to publish as "proportional" rates those arrangements with the forwarders that were formerly set forth in forwarder tariffs recently ordered stricken from the commission's files. A. H. Feller, an attorney for the Department of Justice argued the case for the government, while the trucking companies were represented by J. R. Turney and Robert E. Quirk.

The instant case came to the Supreme Court after a United States District court in Illinois had reversed a commission decision cancelling the "proportional" rates which were to apply between Racine, Wis. and Chicago.

Mr. Feller told the Court that the proposed rates are lower than the local commodity rates and can be taken advantage of only by the forwarding companies and a few large shippers. It is the government's contention that the proposed "proportional" rates discriminate against the small shippers who cannot concentrate large enough quantities to come within the provisions of the rate. He said the record shows that if these rates are approved they will be extended all over the country.

Mr. Turney began his argument by saying that his case was not to be construed as a criticism of the commission, but rather he felt that the commission had misinterpreted the law in the matter. He pointed out that the forwarder service is the best that many small towns now have and that it is indispensable to business men in both large and small towns. The forwarder, he said, by co-ordinating the rail and truck service, had created a cheaper and better form of transportation.

Mr. Justice Roberts asked Mr. Turney whether or not the large shipper would get a lower rate under these "proportionals" than would the smaller shipper. The counsel admitted this was true, but sought to justify it by citing other rates such as the carload and the trainload rates in which the larger shipper is favored over the l. c. l. shipper.

Mr. Turney closed his argument by asserting that cost studies show that the cost of handling commodities by forwarders under all-commodity rates is 25 per cent lower than the cost of having them shipped individually by each shipper.

Mr. Quirk met the objection that the "proportional" rate is lower than the local



Photo by George Lohr

### Union Station Tablet Commemorates War Role of the Railroad

Miss Barbara Baird, eldest granddaughter of the late Fairfax Harrison, chairman of the Railroad War Board of 1917, unveiled this tablet in Union Station, Washington, D. C., on April 26, commemorating the war services of the railroads and the directing Board. Others in the group shown, from left to right, are Daniel Willard, president, Baltimore & Ohio and one of two surviving members of the war-time Board; J. J. Pelley, president, A. A. R.; and Louis Johnson, assistant secretary of war.



rate despite the fact that the commodities travel over the same routes by citing the commission's justification of ex-lake, ex-river, import and export rates, which, he said, are published under circumstances similar to those present in the instant case.

### Pennsylvania Demonstrates the Ideal Small Office

How a small office can be arranged to provide the maximum utility, attractiveness, personal privacy, and space for complete working equipment in an atmosphere of moderate modernism, is being demonstrated by the Pennsylvania at its Broad Street Station Building, Philadelphia. The railroad has commercial office space available in this, its modern headquarters building—and as a service to prospective tenants the company has given expert attention to the fitting out of five model offices for demonstration purposes—the display being open to public inspection. The idea is to show concretely how rooms of medium and small size may be treated and equipped to bring out their possibilities to best advantage so that the tenant may get the most for his money in convenience, comfort and attractiveness.

The space in each of the five model offices has been divided into two sections by ingeniously arranged partitions. One section is a small but adequate anteroom, with desk for a receptionist-stenographer and chairs for visitors. Opening from this is the office proper.

Desks, chairs, cabinets, book cases and other fittings, both fixed and movable, have been specially designed for the particular requirements of each office with dimensions proportioned to its size and shape so as to produce not only the most useful results but also those most pleasing to the eye, enhancing the sense of spaciousness. All furniture is of walnut, bleached after construction to produce lightness of grain. The entire color scheme is soft and restful but at the same time light and airy. A new type of rubber flooring is used throughout, noiseless, resilient and contributing in pattern and shades to the general effect of dignified and quiet efficiency. Wash basins are concealed in utility cabinets conforming in design and appearance with the furniture.

The scheme of the decorations and furnishings as a whole is designated "contemporary in the style of 1940-1950." While modern, it avoids grotesque and extreme features and has been planned to remain "contemporary" for ten years or longer. Lighting is of the fluorescent type, soft and diffused. The result is a warm illumination which fills all the corners of the room without glare or concentration anywhere. The arrangement of the fixtures, as well as the tinting and textures of the reflecting surfaces of ceilings and walls, contribute to this over-all effect.

Two of the offices are inside rooms and have been equipped with "illusion" windows, having Venetian blinds and draperies so arranged that concealed fluorescent tubes along the sides create the appearance of subdued sunlight beyond the curtain. These two rooms are also completely air-conditioned. The other three rooms have outside windows with Venetian blinds

and draperies blending into the rest of the decorative color scheme.

While each of the rooms differs from the others in size and arrangement, all five are intended to make an especial appeal to a wide range of prospective tenants, whose requirements are filled by suitable private offices for themselves with room for a receptionist or a stenographer.

The fluorescent illumination makes the offices especially suitable for any business requiring the use of samples or sketches in which color is important. The styling and interior arrangements of all the rooms have been produced by Kenneth M. McCann, of New York, consulting decorator for the Hotel Pennsylvania and the Statler Hotels throughout the country.

### Suggests Trainload Rate on Gasoline

(Continued from page 787)

products from mid-continent territory to Western Trunk Line territory and Indiana found not unreasonable; rates on gasoline and other petroleum products taking the same rate, from mid-continent territory to Indiana groups found unduly prejudicial, and Illinois groups found preferred, and removal of undue prejudice and preference required; rates on refined petroleum products from mid-continent territory to Western Trunk Line territory and Indiana found not unjustly discriminatory, and not unduly prejudicial except to Indiana; and no violation of section 6 of the Interstate Commerce Act disclosed by the evidence.

The proposed report identifies the complainant as a voluntary association of firms and corporations engaged in the petroleum business, and shippers of petroleum and its products, including gasoline and related articles. In addition to the railroads, a number of pipe-line companies were made defendants. "Briefly summarized," Examiner Stiles explains, "the complaint arises out of the fact that members of the complainant association . . . produce gasoline in the mid-continent field and ship it by rail to Western Trunk Line territory and adjacent states. There it comes into competition with gasoline refined in the mid-continent field by certain of the major oil companies, herein called the integrated companies because they have production, refining, transportation, and marketing departments, who ship it by common carrier pipe lines which they own in whole or in part, to distributing points in the destination territory, whence it is distributed by rail or motor truck. These integrated companies own or control many retail outlets, in addition to selling to jobbers and others. Complainants contend that by profits made in the transportation and other departments, the integrated companies are able to make price concessions and other concessions to jobbers and retailers of gasoline . . . whereby they have taken business from complainants. Complainants seek an equalization of transportation opportunities by such means and methods as the commission may find proper."

Stating the position of complainants in different language at another point in his

proposed report the examiner said: "Complainants' contention is that this commission should require the rail defendants to publish rates which are less than maximum reasonable rates judged by the usual standards, in order to equalize complainants' cost of transportation by rail with the cost of pipe-line transportation ultimately borne by the integrated oil companies after dividends from the profits of the pipe-line companies." After citing commission policy and precedents against action along the foregoing lines and testing the complaint in the light of pertinent provisions of the Interstate Commerce Act, Mr. Stiles arrives at the recommended findings summarized above.

Meanwhile he had observed: "Complainants state the issues somewhat too broadly. . . . The integrated oil companies are not here on trial as to whether or not they are guilty of unfair trade practices, as asserted by some of the complainants. If they are so guilty they are not answerable in this forum. Only to the extent that violations of the named sections of the Interstate Commerce Act appear, occasioned or contributed to by the rates, charges, rules, regulations or practices of the common carriers named as defendants herein, can we afford relief to complainants. . . . Evidently if complainants are to obtain relief it must be by a reduction in the all-rail rates, by a divorcement of the pipe-line common carriers from the integrated oil companies, or by a reformation of the trade practices of the integrated oil companies. The first named is the only one of these forms of relief that this commission is empowered to extend. And our power to extend that relief is dependent upon a showing that the rail rates assailed are in violation of the above-mentioned sections of the act which we administer."

Then comes the aforementioned relating of the evidence to the pertinent sections of the act, leading the examiner to the conclusion that prescription of the multiple-car rate to pipe-line terminals would be the only manner in which the commission could lawfully afford any relief to complainants.

### French Truckmen Chafe at Restrictions

The Highway Trucking Association of the French department in which Bordeaux is located held a general assembly recently at which time it passed a resolution demanding the end of the so-called Highway Co-ordination decree of September, 1939, which severely restricted over-the-road trucks. The decree, which is of national application, was promulgated particularly to protect the French main-line railroads which were nationalized in 1937. It was exceedingly drastic. For example, it forbade all long-distance traffic by truck except in cases where the haul could not be satisfactorily handled by railroad. It also made it very difficult for any bus or truck operator to obtain permission to render a service paralleling in any way a railroad and, whenever permission was granted, it carried the proviso that highway operators must charge the same rates as the railroad. Typical of its restrictions was one that

any bus line operating out of a terminal in the business center of a town of which the railroad station is less conveniently located must add to its fares the cost of a local transit fare between the business section and the railroad station.

### North Carolina Intrastate Rates

The Interstate Commerce Commission in a report by Commissioner Miller has found that intrastate class rates prescribed by the North Carolina Utilities Commission are unduly prejudicial to interstate shippers and unjustly discriminatory against interstate commerce. A brief dissenting expression was filed by Commissioner Splawn, while the dissents of Commissioners Aitchison, Rogers and Alldredge were noted. The proceeding was docketed as No. 27900.

### Meetings and Conventions

The following list gives names of secretaries, dates of next or regular meetings and places of meetings:

**AIR BRAKE ASSOCIATION.**—R. P. Ives, 350 Fifth Ave., New York, N. Y.  
**ALLIED RAILWAY SUPPLY ASSOCIATION.**—J. F. Gettrust, P. O. Box 5522, Chicago, Ill. Annual meeting, October 22-25, 1940, Hotel Sherman, Chicago, Ill.  
**AMERICAN ASSOCIATION OF FREIGHT TRAFFIC OFFICERS.**—W. R. Curtis, F. T. R. M. & O. R. R., 327 S. La Salle St., Chicago, Ill.  
**AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.**—E. P. Soebbing, 1431 Railway Exchange Bldg., St. Louis, Mo. Annual meeting, October 22-24, 1940, Hollywood Beach, Fla.  
**AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.**—B. D. Branch, C. R. R. of N. J., 143 Liberty St., New York, N. Y.  
**AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.**—F. O. Whiteman, Union Station, St. Louis, Mo. Annual meeting, June 4-6, 1940, Hotel Stevens, Chicago, Ill.  
**AMERICAN ASSOCIATION OF RAILWAY ADVERTISING AGENTS.**—E. A. Abbott, Poole Bros., Inc., 85 W. Harrison St., Chicago, Ill.  
**AMERICAN ASSOCIATION OF SUPERINTENDENTS OF DINING CARS.**—F. R. Borger, C. I. & L. Ry., 836 S. Federal St., Chicago, Ill.  
**AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.**—A. E. Bechtelheimer, (President), C. & N. W. Ry., 400 W. Madison St., Chicago, Ill. Annual meeting, October 15-17, 1940, Hotel Stevens, Chicago, Ill.  
**AMERICAN RAILWAY CAR INSTITUTE.**—W. C. Tabbert, 19 Rector St., New York, N. Y.  
**AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.**—E. C. Reed, Union Pacific R. R., 1416 Dodge St., Omaha, Neb.  
**AMERICAN RAILWAY ENGINEERING ASSOCIATION.**—Works in cooperation with the Association of American Railroads, Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 11-13, 1941, Chicago, Ill.  
**AMERICAN RAILWAY MAGAZINE EDITORS' ASSOCIATION.**—M. W. Jones, Baltimore & Ohio R. R., 1105 B. & O. R. R. Bldg., Baltimore, Md. Spring meeting, May 18, 1940, Read House, Chattanooga, Tenn.  
**AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.**—G. G. Macina, C. M., St. P. & P. R. R., 11402 Calumet Ave., Chicago, Ill.  
**AMERICAN SHORT LINE RAILROAD ASSOCIATION.**—J. H. Hunt, Tower Bldg., Washington, D. C.  
**AMERICAN SOCIETY OF MECHANICAL ENGINEERS.**—C. E. Davies, 29 W. 39 St., New York, N. Y.  
 Semi-annual meeting, June 17-20, 1940, Pfister Hotel, Milwaukee, Wis.  
 Fall meeting, September 3-5, 1940, Davenport Hotel, Spokane, Wash.  
 Annual meeting, December 2-6, 1940, New York, N. Y.  
**Railroad Division.**—C. L. Combes, *Railway Age*, 30 Church St., New York, N. Y.  
**AMERICAN TRANSIT ASSOCIATION.**—Guy C. Hecker, 292 Madison Ave., New York, N. Y. Annual meeting, September 23-26, 1940, The Greenbrier, White Sulphur Springs, W. Va.  
**AMERICAN WOOD PRESERVERS' ASSOCIATION.**—H. L. Dawson, 1427 Eye St., N. W., Washington, D. C. Annual meeting, February 4-6, 1941, Louisville, Ky.  
**ASSOCIATION OF AMERICAN RAILROADS.**—H. J. Forster, Transportation Bldg., Washington, D. C.

**Operations and Maintenance Department.**—Charles H. Buford, Vice-President, Transportation Bldg., Washington, D. C.  
**Operating-Transportation Division.**—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.  
**Operating Section.**—J. C. Caviston, 30 Vesey St., New York, N. Y.  
**Transportation Section.**—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.  
**Fire Protection and Insurance Section.**—W. F. Steffens, New York Central, Room 3317, 230 Park Avenue, New York, N. Y.  
**Freight Station Section.**—L. R. Knott, 59 E. Van Buren St., Chicago, Ill. Annual meeting, June 11-13, 1940, Pennsylvania Hotel, New York, N. Y.  
**Medical and Surgical Section.**—J. C. Caviston, 30 Vesey St., New York, N. Y. Annual meeting, June 10-11, 1940, Pennsylvania Hotel, New York, N. Y.  
**Protective Section.**—J. C. Caviston, 30 Vesey St., New York, N. Y. Annual meeting, June 26-28, 1940, Windsor Hotel, Montreal, Que.  
**Safety Section.**—J. C. Caviston, 30 Vesey St., New York, N. Y. Annual meeting, June 4-6, 1940, St. Paul Hotel, St. Paul, Minn.  
**Telegraph and Telephone Section.**—W. A. Fairbanks, 30 Vesey St., New York, N. Y. Annual meeting, September 10-12, 1940, Chateau Laurier, Ottawa, Ontario, Canada.  
**Engineering Division.**—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 11-13, 1941, Chicago, Ill.  
**Construction and Maintenance Section.**—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 11-13, 1941, Chicago, Ill.  
**Electrical Section.**—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill.  
**Signal Section.**—R. H. C. Balliet, 30 Vesey St., New York, N. Y. Annual meeting, October 8-10, 1940, Wardman Park Hotel, Washington, D. C.  
**Mechanical Division.**—V. R. Hawthorne, 59 E. Van Buren St., Chicago, Ill. Annual meeting, June 27-28, 1940, Hotel Stevens, Chicago, Ill.  
**Electrical Section.**—J. A. Andreucetti, 59 E. Van Buren St., Chicago, Ill.  
**Purchases and Stores Division.**—W. J. Farrell, 30 Vesey St., New York, N. Y. Annual meeting, June 25-26, 1940, Pennsylvania Hotel, New York, N. Y.  
**Freight Claim Division.**—Lewis Pilcher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, May 21-23, 1940, Hotel Sherman, Chicago, Ill.  
**Motor Transport Division.**—George M. Campbell, Transportation Bldg., Washington, D. C.  
**Car-Service Division.**—E. W. Coughlin, Transportation Bldg., Washington, D. C.  
**Finance, Accounting, Taxation and Valuation Department.**—E. H. Bunnell, Vice-President, Transportation Bldg., Washington, D. C.  
**Accounting Division.**—E. R. Ford, Transportation Bldg., Washington, D. C. Annual meeting, June 18-20, 1940, The Greenbrier, White Sulphur Springs, W. Va.  
**Treasury Division.**—E. R. Ford, Transportation Bldg., Washington, D. C.  
**Traffic Department.**—A. F. Cleveland, Vice-President, Transportation Bldg., Washington, D. C.  
**ASSOCIATION OF RAILWAY CLAIM AGENTS.**—F. L. Johnson, Claim Agent, Alton R. R., 340 W. Harrison St., Chicago, Ill. Annual meeting, May 15-17, 1940, Providence Biltmore Hotel, Providence, R. I.  
**BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.**—W. S. Carlisle, National Lead Company, 900 W. 18th St., Chicago, Ill. Meets with American Railway Bridge and Building Association.  
**CANADIAN RAILWAY CLUB.**—C. R. Crook, 4415 Marcell Ave., N. D. G., Montreal, Que. Regular meetings, second Monday of each month except June, July and August, Windsor Hotel, Montreal, Que.  
**CAR DEPARTMENT ASSOCIATION OF ST. LOUIS, MO.**—J. J. Sheehan, 1101 Missouri Pacific Bldg., St. Louis, Mo. Regular meetings, third Tuesday of each month, except June, July and August, Hotel De Soto, St. Louis, Mo.  
**CAR DEPARTMENT OFFICERS' ASSOCIATION.**—Frank Kartheiser, Chief Clerk, Mechanical Dept., C. B. & Q., Chicago, Ill. Annual meeting, October 22-25, 1940, Hotel Sherman, Chicago, Ill.  
**CAR FOREMEN'S ASSOCIATION OF CHICAGO.**—G. K. Oliver, 2514 W. 55th St., Chicago, Ill. Regular meetings, second Monday of each month,

except June, July and August, La Salle Hotel, Chicago, Ill.  
**CENTRAL RAILWAY CLUB OF BUFFALO.**—Mrs. M. D. Reed, 1817 Hotel Statler, McKinley Square, Buffalo, N. Y. Regular meetings, second Thursday of each month, except June, July and August, Hotel Statler, Buffalo, N. Y.  
**EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.**—J. T. Bougher, 424 W. 33rd St. (11th floor), New York, N. Y.  
**INTERNATIONAL RAILWAY GENERAL FOREMEN'S ASSOCIATION (See Locomotive Maintenance Officers' Association).**  
**INTERNATIONAL RAILWAY MASTER BLACKSMITHS' ASSOCIATION.**—W. J. Mayer, Michigan Central R. R., Detroit, Mich.  
**LOCOMOTIVE MAINTENANCE OFFICERS' ASSOCIATION.**—J. E. Goodwin, Gen. Foreman, Loco. Dept., Missouri Pacific R. R., No. Little Rock, (P. O. Little Rock), Ark. Annual meeting, October 22-25, 1940, Hotel Sherman, Chicago, Ill.  
**MASTER BOILER MAKERS' ASSOCIATION.**—A. F. Stiglmeier, 29 Parkwood St., Albany, N. Y. Annual meeting, October 22-25, 1940, Hotel Sherman, Chicago, Ill.  
**NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS.**—Clyde S. Bailey, New Post Office Bldg., Washington, D. C. Annual meeting, December 10-12, 1940, Miami, Fla.  
**NATIONAL RAILWAY APPLIANCE ASSOCIATION.**—C. H. White, Room 1826, 208 S. La Salle St., Chicago, Ill.  
**NEW ENGLAND RAILROAD CLUB.**—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, second Tuesday of each month, except June, July, August and September, Hotel Touraine, Boston, Mass. Annual Banquet, May 14, 1940, Copley-Plaza Hotel, Boston, Mass.  
**NEW YORK RAILROAD CLUB.**—D. W. Pye, 30 Church St., New York, N. Y. Regular meetings, third Thursday of each month, except June, July, August, September and December, 29 W. 39th St., New York, N. Y.  
**PACIFIC RAILWAY CLUB.**—William S. Wollner, P. O. Box 3275, San Francisco, Cal. Regular meetings, second Thursday of each alternate month, at Palace Hotel, San Francisco, and second Friday of each alternate month at Hotel Hayward, Los Angeles.  
**RAILWAY BUSINESS ASSOCIATION.**—P. H. Middleton, First National Bank Bldg., Chicago, Ill.  
**RAILWAY CLUB OF PITTSBURGH.**—J. D. Conway, 1647 Oliver Bldg., Pittsburgh, Pa. Regular meetings, fourth Thursday of each month, except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.  
**RAILWAY ELECTRIC SUPPLY MANUFACTURERS' ASSOCIATION.**—J. McC. Price Allen-Bradley Company, 600 W. Jackson Blvd., Chicago, Ill.  
**RAILWAY FUEL AND TRAVELING ENGINEERS' ASSOCIATION.**—T. Duff Smith, 1255 Old Colony Bldg., Chicago, Ill. Annual meeting, October 22-25, 1940, Hotel Sherman, Chicago, Ill.  
**RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.**—J. D. Conway, 1647 Oliver Bldg., Pittsburgh, Pa.  
**RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.**—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with Telegraph and Telephone section of A. A. R.  
**RAILWAY TIE ASSOCIATION.**—Roy M. Edmonds, 903 Syndicate Trust Bldg., St. Louis, Mo. Annual meeting, May 14-15, 1940, Brown Hotel, Louisville, Ky.  
**ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.**—G. L. Sitton, (President), Southern Ry., Charlotte, N. C. Annual meeting, September 10-12, 1940, Hotel Stevens, Chicago, Ill.  
**SIGNAL APPLIANCE ASSOCIATION.**—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with A. A. R., Signal Section.  
**SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.**—A. T. Miller, 4 Hunter St., S. E., Atlanta, Ga. Regular meetings, third Thursday in January, March, May, July, September and November, Ansley Hotel, Atlanta, Ga.  
**SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.**—D. W. Brantley, C. of Ga. Ry., Savannah, Ga.  
**TORONTO RAILWAY CLUB.**—D. M. George, P. O. Box 8, Terminal "A," Toronto, Ont. Regular meetings, fourth Monday of each month, except June, July and August, Royal York Hotel, Toronto, Ont.  
**TRACK SUPPLY ASSOCIATION.**—Lewis Thomas, Q. and C. Company, 59 E. Van Buren St., Chicago, Ill. Meets with Roadmasters' and Maintenance of Way Association.  
**UNITED ASSOCIATION OF RAILROAD VETERANS.**—Roy E. Collins, 112 Hatfield Place, Port Richmond, Staten Island, N. Y. Annual meeting, October 12-13, 1940, Hotel Buena Vista, Biloxi, Miss.  
**WESTERN RAILWAY CLUB.**—W. L. Fox (Executive Secretary), Room 822, 310 South Michigan Ave., Chicago, Ill. Regular meetings, third Monday of each month, except June, July, August and September, Hotel Sherman, Chicago, Ill.



## Equipment and Supplies

### April Purchases Show Some Gains

Locomotive total highest since Sept. '39; freight cars top any month in '40

Orders were placed during the month of April in the United States for a total of 50 locomotives and 1812 freight cars for domestic service; no passenger-train cars were ordered. These orders compare with purchases of 19 locomotives; 2,695 freight

bids on May 9, for one 8-ton and one 20-ton gasoline-mechanical drive locomotives.

#### FREIGHT CARS

THE LOUISVILLE & NASHVILLE contemplates buying from 25 to 100 cement cars.

#### PASSENGER CARS

THE NEW YORK CENTRAL has placed an order for one stainless steel passenger coach with the Edward G. Budd Manufacturing Company.

#### SIGNALING

TEXAS & PACIFIC.—An order has been placed with the General Railway Signal Company, Rochester, N. Y., covering materials for an addition to the existing centralized traffic control installation between

## Supply Trade

The Klasing Car Brake Company has moved its offices from Chicago to Henderson and Norton avenues, Joliet, Ill.

The Galena Oil Corporation has moved its office from 405 Lexington avenue, New York, to 615 River Road, Edgewater, N. J.

C. D. Allen, eastern sales manager of The J. S. Coffin, Jr., Company, Englewood, N. J., has been appointed vice-president.

Edward L. Ryerson, Jr., vice-chairman of the board of the Inland Steel Company, Chicago, has been elected chairman to succeed L. E. Block, who has retired. Mr. Block has been elected chairman of the executive committee.

### Domestic Equipment Orders Reported in Issues of the Railway Age in April, 1940

LOCOMOTIVES				
Date	Name of Company	No.	Type	Builder
Apr. 6	New York Central.....	35	L-3 Mohawk	American Locomotive Co.
		15	L-3 Mohawk	Lima Locomotive Works
FREIGHT CARS				
Apr. 6	New York Central.....	1,500	Hopper	Despatch Shops
Apr. 6	Chicago, Burlington & Quincy	100	Covered Hopper	Company Shops
		25	Gondola	Company Shops
		25	Box	Company Shops
Apr. 13	Denver & Rio Grande Westn.	10	Caboose	Company Shops
		100	Stock	Company Shops
Apr. 27	Norfolk Southern.....	40	Flat	Greenville Steel Car Co.
		12	Caboose	Magor Car Corp.

cars and 14 passenger-train cars reported in April, 1939. The April locomotive total of 50 steam locomotives, all for one railroad, was the largest of any month since September, 1939, and the freight car total was the largest of any month this year.

Total domestic orders for the year thus far now stand at 136 locomotives, 4,269 freight cars and 20 passenger-train cars, as compared with a total of 93 locomotives, 5,702 freight cars and 121 passenger-train cars ordered during the corresponding four months of 1939.

Car manufacturers in the United States received their first order from abroad during April, a total of 500 freight cars having been booked by the Royal State Railways of Siam. April also saw the first orders this year for Canadian manufacturers, who received orders for a total of 150 freight cars and 30 passenger-train cars during the month.

Exclusive of the orders reported above, there were inquiries pending for, or contemplated purchases of, a total of 18 locomotives (5 steam and 13 Diesel-electric); 3,544 freight cars and 44 passenger-train cars for domestic service, as of April 26. In the export field, American manufacturers are quoting on 10 steam locomotives and 50 freight cars.

#### LOCOMOTIVES

THE UNITED STATES WAR DEPARTMENT, chief of engineers, Munitions building, Washington, D. C., is asking for

Marshall, Tex., and Long View. This involves two additional switch levers and one additional signal lever to an existing control panel.

MOBILE & OHIO.—An order has been placed with the General Railway Signal Company, Rochester, N. Y., covering materials for a remote-control interlocking at Iselin, Tenn., for the control of two Model-5D switch machines and nine Type-SA signals. The installation will connect with existing absolute-permissive block signaling between Ruslor, Miss., and Perry, Tenn.

ATCHISON, TOPEKA & SANTA FE.—An order has been placed with the General Railway Signal Company, Rochester, N. Y., covering materials for a 24-lever Model-2, unit-lever type interlocking machine, having 22 working levers and 2 spare spaces, for installation at Daggett, Cal. Included in the order are six Model-5A switch machines and three welded steel housings.

UNION PACIFIC.—An order has been placed with the General Railway Signal Company, Rochester, N. Y., covering materials for a remote-control interlocking, of the unit-wire type, at Ninth Street Junction, Los Angeles, Cal. This will include six working levers for the control of four Model-5D switch machines and nine Type-SA signals. The order also covers one 6-ft. by 10-ft. welded steel housing, as well as necessary relays and rectifiers.

George A. Blackmore was elected chairman of the board of the Duff-Norton Manufacturing Company, Pittsburgh, Pa., at a recent meeting of its board of directors, succeeding the late Thomas A. McGinley. Mr. Blackmore is president and director of the Westinghouse Air Brake Company, the Union Switch & Signal Co., a director of the A. M. Byers Company, the Pittsburgh Screw & Bolt Corp., the Pittsburgh Coal Company, the Flannery Bolt Company, the Bendix-Westinghouse Automotive Brake Company, the Cardwell Westinghouse Company, the Westinghouse Brake & Signal Co., Ltd. of London, the Canadian-Westinghouse Company of Hamilton, Ont., the Westinghouse Electric & Manufacturing Company, the Mellon National Bank, the National Association of Manufacturers, and the Chamber of Commerce of Pittsburgh.

#### OBITUARY

Thomas Atterbury McGinley, president of the Duff-Norton Manufacturing Company, Pittsburgh, Pa., died in that city after a short illness on April 13.

Paul Wyler, formerly district manager of the Franklin Railway Supply Company, New York, for about 28 years previous to 1934, died on April 7, at his home in Dunkirk, N. Y. Mr. Wyler was a graduate of Purdue University, and then served in the engineering department of the Chicago, Rock Island & Pacific. Mr. Wyler subsequently was employed by the Bettendorf Company and entered the service of the Franklin Railway Supply Company about 1906.

Hugh A. Gillies, vice-president of the American Brakeblok division of the American Brake Shoe & Foundry Co., died of a cerebral hemorrhage at the Commodore Hotel, New York, on April 23, while on a business trip from his home in Detroit, Mich. Mr. Gillies was born at McComb City, Miss., in 1881, and was brought up in Parsons, Kan. He started his business career as a machinist and mechanical engineer and served on a number of railroads

in the United States and Mexico. He joined the American Brake Shoe Company in 1915, and was placed in charge of the company's Denver, Colo., plant and the sale of its products. When a new division was organized to manufacture automotive brake lining, Mr. Gillies was put in charge of sales.

**Arthur G. Hollingshead**, whose death on April 23 at Chicago, was announced in the *Railway Age* of April 27, was born at Zanesville, Ohio, on August 8, 1862. He entered railroad service at the Fort Wayne shops of the Wabash, and after serving his boiler maker apprenticeship became a locomotive fireman and engineman. He was promoted to roundhouse foreman and in 1892 after serving at several points on the Wabash in this capacity, was promoted to division master mechanic, with headquarters at Hudson, Ind. In 1896, he left railroad service to enter the supply business with the Scully Steel & Iron Com-



Arthur G. Hollingshead

pany. Subsequently he was employed by the Philadelphia Pneumatic Tool Company, the Murphy Car Roof Company and the Ralston Steel Car Company. In 1905, he entered business for himself, and formed the Okadee Company. He expanded his interests in 1913 by affiliating with Harry Vissering & Company, Chicago, now the Viloco Railway Equipment Company, and the Charles R. Long, Jr. Company of Louisville, Ky. From 1929 until his death he was actively engaged as president of The Okadee Company and the Viloco Railway Equipment Company, both of Chicago, and the Viloco Machine Company of Benton Harbor, Mich.

**Walter S. Rugg**, who retired in May, 1936, as vice-president of the Westinghouse Electric & Manufacturing Co., died on April 25, in New York after a heart attack at the age of 74 years. Mr. Rugg was born at Broadhead, Wis. He attended Laurence College in that state and later Cornell University, where he graduated with a master of science degree in 1892. In that same year he began his electrical career as a student engineer at Westinghouse Electric & Manufacturing Co., and three years later went to the Chicago office as district engineer, later

being transferred to the sales force. From 1901 to 1917 he served in its New York office, the last eight years as manager. He then returned to the East Pittsburgh, Pa., works as manager of the Railway department and shortly afterward of the Marine department. In 1922 he became general sales manager of the company and three years later was elected vice-president. In that office he was at one time in charge of both engineering and sales activities of the company.

## Construction

**CANADIAN PACIFIC.**—Work will be resumed on the ballasting of the main line between Winnipeg, Man., and Fort William, Ont., on which a gap of 52 miles of double track between Raith, Ont., and Fort William, remains to be completed. As announced in the *Railway Age* of July 29, 1939, the contract for this work was awarded to the Grenville Crushed Rock Company, Montreal, Que. The total cost of the project, including bank widening work, will be approximately \$1,000,000.

**ILLINOIS CENTRAL.**—A steel bridge over Catfish creek near Center Grove, Iowa, is being rebuilt by company forces, with a new 137½-ft. through riveted truss span and a 44-ft. through plate girder span. These spans will be supported on the present center pier and concrete west abutment, and on a new reinforced concrete east abutment. The cost of the work will be approximately \$52,000.

**ILLINOIS CENTRAL.**—This road is rebuilding a steel bridge at Apple River, Ill., with company forces. The work will consist of the installation of two 60-ft. and one 35-ft. deck plate girder spans supported on a steel tower with concrete pedestals and a reinforced concrete pier. The old concrete abutments will remain in place. The cost of the project will be approximately \$25,000.

**ILLINOIS CENTRAL.**—A contract amounting to \$35,231 has been awarded H. R. Cawood, Mt. Vernon, Ill., for the construction of two through plate girder spans, one for each of two tracks over State highway No. 152 in Pinckneyville, Ill. The two spans, which cross the highway at an angle of approximately 50 deg., will each be 72 ft. long, and will be supported on reinforced concrete abutments. They will provide for a roadway 24-ft. wide and two 3-ft. sidewalks beneath. The contract for the structural steel for this work, amounting to \$13,858, was awarded the American Bridge Company, Pittsburgh, Pa., and the contract for grading and paving the subway approaches, amounting to \$54,293, was awarded the Mitchell Contracting Company, Herrin, Ill.

**LOUISVILLE & NASHVILLE.**—A contract has been awarded the Codell Construction Company, Winchester, Ky., for approximately 180,000 cu. yd. of grading at De-

Coursey yard just outside the city of Covington, Ky. The grading will permit the lengthening of the tracks in the northbound receiving yard and the enlargement of the northbound classification yard, including the construction of a new hump track and leads, which will be equipped with 5 sets of car retarders and 19 electrically-operated switches.

**SOUTHERN PACIFIC.**—A contract amounting to \$344,687 has been awarded the Austin Bridge Company, Dallas, Tex., for the construction of a new double-track bridge for the Texas & New Orleans (Southern Pacific) near Baldwin, La., over a new channel to be known as the Charenton Drainage and Navigation Canal, that will connect Bayou Teche and the Intra-Coastal Waterway. The new bridge will consist of one 204-ft. double-track swing drawspan, with two double-track plate girder approach spans, one 81 ft. in length on the east end and the other 65 ft. in length on the west end. The substructure will consist of reinforced concrete abutments and piers supported on piling. The bridge is designed for Coopers E-60 loading. The bridge will be constructed without interruption to traffic by providing a double track shoo-fly detour approximately 3,200 ft. long north of the present tracks. The new channel, which will be 108 ft. wide at the bottom and will have a depth of 25 ft. below the natural ground level, with side slopes of one-to-three, will not be dredged until the bridge is completed and traffic returned to the original main tracks.

**SOUTHERN PACIFIC.**—A contract amounting to \$837,995 has been awarded the McWilliams Dredging Company, New Orleans, La., for the work in connection with the construction of a new bridge for the Texas & New Orleans (Southern Pacific) near Calumet, La., over Wax Lake Outlet, an additional outlet from the Atchafalaya basin to the Gulf of Mexico, being constructed by the government for the control of floods of the Mississippi river and its tributaries in Louisiana. The bridge, which will be a single-track structure, will consist of three through truss spans, each 400 ft. long, with two 70-ft. approach girders, one at each end, and is designed for Coopers E-60 loading. The substructure will consist of four deep caisson piers and two pile abutments, with local excavation only in the immediate vicinity of the caisson piers. The bridge will be constructed without interruption of traffic by providing a new single track line for the railroad for a distance of approximately two miles. The dredging of the channel, which will be 300 ft. in width at the bottom and will have a depth of 54½ ft. below the natural ground line with side slopes of one-to-eight, will be undertaken after completion of the new bridge.

**UNION PACIFIC.**—A contract has been awarded L. B. Adams, Cheyenne, Wyo., by the Union Pacific Stages for the construction of a new bus depot at Cheyenne, on Capital avenue across the street from the present Union Pacific Stages' depot. The structure will cost approximately \$50,000.



## Financial

**ATLANTIC COAST LINE.—Annual Report.**—The 1939 annual report of this company shows net income of \$804,074, after interest and other charges, an increase of \$2,662,524 as compared with net deficit of \$1,858,450 in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
OPERATING REVENUES	\$47,099,287	+\$2,935,262
OPERATING EXPENSES	36,671,780	+1,179,992
NET OPERATING REVENUES	10,427,507	+1,755,269
Railway tax accruals	4,390,000	-235,000
TOTAL OPERATING INCOME	6,037,507	+1,990,269
Equipment rents—		
Net dr.	2,334,963	+623,822
Joint facility rents—		
Net cr.	79,328	+24,674
NET RAILWAY OPERATING INCOME	3,781,872	+1,391,121
Other income	4,351,222	+1,101,646
MISC. DEDUCTIONS FROM INCOME	959,982	-88,257
INCOME AVAILABLE FOR FIXED CHARGES	7,173,112	+2,581,025
Interest and rentals	6,369,038	-81,498
NET INCOME	\$804,074	\$2,662,524

**BOSTON & MAINE.—Voluntary Readjustment Plan.**—This company has asked the Interstate Commerce Commission for authority to issue \$124,054,000 of bonds consisting of \$72,160,000 of first mortgage four per cent bonds due in 1960 and \$51,894,000 of income mortgage 4½ per cent bonds due in 1970 to carry out its voluntary capital readjustment plan. Of the total issue \$51,893,250 of first mortgage 4s and a like amount of the income 4½s are being offered to holders of the road's \$103,786,500 of outstanding bonds on the following basis:

For each \$1,000 bond outstanding, \$500 of first mortgage 4s or, at the holder's election, cash for all or part of these bonds to the extent cash is available; and \$500 of income 4½s. The plan also provides that \$40,750,000 of the first 4s will be sold to the Reconstruction Finance Corporation for cash which will be used to pay holders of the first 4s who elect to take cash and to pay secured notes now held by the R. F. C., which amount to \$14,766,630. Also, some \$5,500,000 of bank loans will be paid off in first 4s.

At the same time the company applied to the commission for its approval of a loan from the R. F. C. in the amount of \$40,750,000, to be secured by an equal principal amount of first mortgage four per cent bonds, due in 1960.

**Plan of Exchange.**—The time limit in which the plan of exchange of this road may be made operative has been extended to June 13 by the directors. The plan, dated December 15, 1939, was released to the public January 4, 1940. It was hoped that the plan might be made operative by March 15, but it has been necessary to extend the time limit to May 1, and now further to June 13. In announcing the extension, W. S. Trowbridge, vice-presi-

dent, pointed out that the railroad has now exhausted its right to make extensions, and that the several million dollars of bonds not now assented must join the plan to make it possible. He also mentioned the fact that the market value of the bonds of the road since November 7, 1939, has risen by over 30 per cent and that it is considered by the management that this increase is due to confidence that the plan will be successful.

**CANADIAN NATIONAL.—Abandonment.**—The Board of Transport Commissioners on April 22, authorized the Canadian National to abandon operation of the St. Martins subdivision between Hampton, N. B., and St. Martins, a distance of 29 mi., to be effective August 1.

**CENTRAL OF GEORGIA.—Annual Report.**—The 1939 annual report of this company shows net deficit of \$2,628,670 after interest and other charges, a decrease of \$363,196 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	1,871.08	-47.64
RAILWAY OPERATING REVENUES	\$15,363,757	+\$598,490
Maintenance of way	2,016,887	+76,902
Maintenance of equipment	3,190,745	+229,814
Transportation—Rail	6,681,406	+88,597
TOTAL OPERATING EXPENSES	13,393,444	+364,288
Operating ratio	87.18	-1.06
NET REVENUE FROM OPERATIONS	1,970,313	+234,201
Railway tax accruals	1,351,817	+20,083
Railway operating income	618,496	+214,118
Hire of Freight Cars	161,760	+89,243
—Cr.		
Joint facility rents	148,710	-6,485
—Net		
NET RAILWAY OPERATING INCOME	554,686	+300,699
Other income	572,649	+198,151
GROSS INCOME	1,127,336	+498,851
Rent for leased roads and equipment	399,520	+14,669
Interest on funded debt	2,784,027	-26,198
TOTAL DEDUCTIONS FROM GROSS INCOME	3,756,006	+135,654
NET DEFICIT	\$2,628,670	-\$363,196

**CENTRAL VERMONT.—Bonds of New London Northern.**—The New London Northern has been authorized by Division 4 of the Interstate Commerce Commission to extend from July 1, 1940, to July 1, 1955, the date of maturity of \$1,500,000 of first mortgage four per cent gold bonds. The company has agreed to pay the present holders of the bonds \$15 for each \$1,000 bond extended.

**CHICAGO, BURLINGTON & QUINCY.—Abandonment.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon parts of a branch line extending from Ayr Junction, Nebr., easterly to Alma Junction, 18 miles, and from Fairfield Junction, Nebr., northerly to Clay Center, 7.2 miles, and to abandon operation under trackage rights over a line of the St. Joseph & Grand Is-

land between Alma Junction, Nebr., and Fairfield Junction, 2.3 miles.

**CENTRAL R. R. OF NEW JERSEY.—Annual Report.**—The 1939 annual report of this road shows net loss of \$2,577,042 after interest and other charges, a decrease of \$1,687,783 as compared with net loss in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$33,547,419	+\$4,295,799
Maintenance of way	2,778,921	+912,898
Maintenance of equipment	6,389,535	+1,347,474
Transportation	13,538,012	+397,627
TOTAL OPERATING EXPENSES	24,363,838	+2,643,822
NET REVENUE FROM OPERATIONS	9,183,580	+1,651,977
Railway tax accruals	5,034,882	-347,152
Hire of Equipment	2,142,703	+279,756
Joint facility rents	62,690	+35,212
NET RAILWAY OPERATING INCOME	1,943,304	+1,684,161
Other income	934,308	+15,158
GROSS INCOME	2,877,613	+1,699,319
Rent for leased roads	2,401,591	+12,439
Interest on funded debt	2,437,700	-18,000
TOTAL DEDUCTIONS FROM GROSS INCOME	5,454,655	+11,536
NET LOSS	\$2,577,042	-\$1,687,783

**CINCINNATI, NEW ORLEANS & TEXAS PACIFIC.—Annual Report.**—The 1939 annual report of this road shows a net income of \$3,402,781, after interest and other charges, an increase of \$1,188,991 as compared with the 1938 figure. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$17,788,489	+\$2,547,940
Maintenance of way	2,072,360	+104,886
Maintenance of equipment	3,450,808	+284,041
Transportation	4,414,128	+435,665
TOTAL OPERATING EXPENSES	10,924,351	+871,403
Operating ratio	61.41	-4.55
NET REVENUE FROM OPERATIONS	6,864,138	+1,676,537
Taxes	1,813,271	+217,783
Hire of Equipment	301,311	-253,774
Joint facility rents	167,119	+16,611
NET RAILWAY OPERATING INCOME	5,185,058	+1,188,369
Other income	89,347	+9
TOTAL GROSS INCOME	5,274,406	+1,188,379
Rent for leased roads	1,705,534	+23,767
TOTAL DEDUCTIONS FROM GROSS INCOME	1,871,624	-612
NET INCOME	\$3,402,781	+\$1,188,991

**GULF, MOBILE & NORTHERN.—R. F. C. Loan.**—This company has asked the Interstate Commerce Commission to approve a loan from the Reconstruction Finance Corporation in the sum of \$7,500,000 for a period of six months. The proceeds will be used as part payment for \$7,839,000 face value of Mobile & Ohio general mortgage bonds which will be purchased as of May 1, for \$7,538,166. The bonds are to be purchased from the Southern who has pledged them to the R. F. C. as collateral for a loan from that agency. The

purchase is a part of the merger plan for joining the M. & O. and the G. M. & N. into a new company to be known as the Gulf, Mobile & Ohio. The petition states that the loan will be carried until the merger is consummated and then will be taken up by the G. M. & O. with part of the proceeds of its \$9,500,000 R. F. C. loan.

**GREAT NORTHERN.—Annual Report.**—The 1939 annual report of this company shows net income of \$8,686,425 after interest and other charges, an increase of \$5,973,865 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$91,783,373	+\$12,567,842
TOTAL OPERATING EXPENSES	60,462,670	+5,945,562
NET REVENUE FROM OPERATIONS	31,320,703	+6,622,280
Railway tax accruals	10,121,469	+1,757,235
Railway operating income	21,199,234	+4,865,045
Equipment rents—		
Net Dr.	1,314,181	-165,150
Joint facility rents—		
Net Dr.	300,458	-75,124
NET RAILWAY OPERATING INCOME	19,584,595	+5,105,319
Other income	4,127,648	+552,934
TOTAL INCOME	23,712,243	+5,658,253
Rent for leased roads and equipment*	23,539	-7,296
Interest on funded debt	14,032,595	-89,228
TOTAL FIXED CHARGES	14,215,770	-57,594
NET INCOME	\$8,686,425	+\$5,973,865

\* Does not include aggregate net income for the year 1939, amounting to \$2,110, of subsidiaries in which the Company holds directly or indirectly a majority of the outstanding capital stock.

**ILLINOIS CENTRAL SYSTEM.—Annual Report.**—The 1939 annual report of this company shows net income of \$2,335,775 after interest and other charges, an increase of \$1,112,900 as compared with net income in 1938. Selected items from the consolidated income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$111,370,852	+\$5,955,024
TOTAL OPERATING EXPENSES	81,646,703	+5,022,123
NET REVENUE FROM OPERATIONS	29,724,148	+932,900
Taxes	10,157,597	+449,474
Railway operating income	19,566,551	+483,426
Hire of Equipment—		
Dr.	1,866,581	-611,533
Joint facility rents	1,471,322	-104,267
NET INCOME FROM TRANSPORTATION OPERATIONS	17,914,099	+986,929
Other income	806,245	-63,182
TOTAL INCOME	18,720,344	+923,746
Rent for leased roads	1,260,348	+166,593
Interest on funded debt	14,860,836	-300,114
TOTAL FIXED CHARGES	16,384,569	-189,154
NET INCOME	\$2,335,775	+\$1,112,900

**ILLINOIS CENTRAL.—Equipment Trust**

**Certificates.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to assume liability for \$4,734,000 of 2½ per cent equipment trust certificates, maturing in 18 semi-annual installments of \$263,000 on September 1 and March 1 from September 1, 1940, to March 1, 1949. The issue has been sold at 101.179 to Salomon Brothers & Hutzler, acting on its own behalf, and Dick & Merle-Smith, and Stroud & Co., Inc., making the average annual cost of the proceeds approximately 2.22 per cent.

**JOPLIN UNION DEPOT.—Bonds.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to issue \$650,000 of first mortgage three per cent serial bonds to refund a like amount of first mortgage 4½ per cent bonds which are due May 1, 1940. The bonds will be issued in 15 serial maturities, the first 14 of which will mature in the aggregate amount of \$25,000 a year from May 1, 1941, to May 1, 1954, and the 15th in the amount of \$300,000 on May 1, 1955. The bonds have been sold to Salomon Brothers & Hutzler of Chicago at 102.689, representing an average annual cost to the depot company of approximately 2.755 per cent.

**Guarantee.**—At the same time the Atchison, Topeka & Santa Fe, the Missouri-Kansas-Texas, and the Kansas City Southern have been authorized to guarantee the principal and interest of the bonds.

**LOUISVILLE & NASHVILLE.—Annual Report.**—The 1939 annual report of this road shows net income of \$7,394,231 after interest and other charges, an increase of \$4,688,215 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$88,348,256	+\$8,953,696
TOTAL OPERATING EXPENSES	64,989,535	+3,980,736
NET REVENUE FROM OPERATIONS	23,358,721	+4,972,960
Railway tax accruals	8,135,700	+1,020,966
Railway operating income	15,223,021	+3,951,993
Net rents	1,945,188	+48,515
NET RAILWAY OPERATING INCOME	15,848,659	+4,225,688
Other income	1,114,131	+236,744
TOTAL INCOME	16,962,791	+4,462,432
Rent for leased roads and equipment	331,546	+31,725
Interest on funded debt	9,112,790	-35,642
TOTAL FIXED CHARGES	9,472,904	-10,732
NET INCOME	\$7,394,231	+4,688,215

**MISSOURI PACIFIC-TEXAS & PACIFIC.—Abandonment, Construction and Trackage Rights.**—These companies and the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans have asked the Interstate Commerce Commission for authority to abandon existing car ferry operations in New Orleans and to use, instead, a bridge across the Mississippi River. To carry out this project it will be necessary for the T. & P. and the M. P. to operate under trackage rights over the

Public Belt from Avondale, La., to New Orleans, 15.3 miles; over the Illinois Central for 1,340 ft., and over the New Orleans Terminal for seven miles. It will also be necessary to construct about one mile of interchange tracks in New Orleans.

**MAINE CENTRAL.—Bonds.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to pledge and repledge from time to time to and including June 30, 1942, as collateral security for \$1,000,000 of short-term notes, all or any part of \$1,000,000 of Maine Central and European & North American five per cent first mortgage gold bonds and \$1,675,000 of Portland & Ogdensburg first mortgage 4½ per cent gold bonds.

**NEW YORK CENTRAL.—Equipment Trust Certificates.**—This company has asked authority from the Interstate Commerce Commission to assume liability for \$10,400,000 of two per cent equipment trust certificates, maturing in equal annual installments on June 1, 1941, and on June 1 of each year thereafter to and including June 1, 1950. The proceeds will constitute 90 per cent of the purchase price of equipment costing \$11,571,100, consisting of 25 L-3-B Mowhawk freight locomotives, 25 L-3-A Mowhawk freight and emergency passenger locomotives, 1,500 55-ton all-steel self-clearing hopper cars, 500 70-ton all-steel bulk cement covered hopper cars, and one stainless steel passenger coach.

**NEW YORK CENTRAL.—A three-man statutory court consisting of Circuit Judge Learned Hand and District Judges J. M. Woolsey and Murray Hulbert will hold a hearing in New York on May 8 on a proposed adjustment of \$8,586,000 of outstanding consolidated mortgage 4 per cent bonds of the controlled Peoria & Eastern under the Chandler Act, which was described in the *Railway Age* for February 3, page 262. The court granted the request of a committee representing holders of P. & E. 4 per cent income bonds to intervene. The committee will oppose certain features of the plan effecting continuance in perpetuity of trackage rights over the road by the Cleveland, Cincinnati, Chicago & St. Louis (New York Central).**

**NORFOLK SOUTHERN.—Approval of Plan of Reorganization.**—Division 4 of the Interstate Commerce Commission has approved, subject to acceptance by the bondholders, a plan of reorganization under the equity procedure of the Bankruptcy Act. Under the plan of reorganization the Norfolk Southern Railway, a newly-organized company, would purchase the properties of the Norfolk Southern Railroad. At the same time the new company was authorized—

(1) to issue \$368,000 of 20-year four per cent secured notes, \$3,918,000 of first mortgage 4½ per cent bonds, \$6,892,300 of general mortgage convertible income bonds, and 350,000 shares of no par value common stock;

(2) to procure the authentication and delivery of \$404,800 of first mortgage 4½ per cent bonds;

(3) to assume liability for \$1,173,000 of receivers' equipment trust certificates; and  
(4) to assume liability, as guarantor,

Continued on next left-hand page



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**LIMA LOCOMOTIVE WORKS, INCORPORATED, LIMA, OHIO**

for \$700,000 of 10-year 1½ per cent serial notes of the Norfolk & Portsmouth Belt Line.

At the same time Division 4 dismissed, for want of jurisdiction, the company's application for authority to issue common stock purchase warrants for 4,800 shares of no-par value common stock.

**NEW YORK CENTRAL.—Notes.**—In connection with its plan to meet the maturities of \$20,000,000 of bank loans due April 30, details of which were given in the *Railway Age* for April 13, page 689, Division 4 of the Interstate Commerce Commission has authorized this company—

(1) to issue \$16,000,000 of promissory notes in partial renewal of its outstanding notes due April 30, 1940, and

(2) to pledge as a part of the collateral security therefor \$6,903,000 of consolidation mortgage four per cent bonds, \$6,000,000 of New York Central & Hudson River 3½ per cent gold mortgage bonds, \$6,171,000 of Michigan Central 4½ per cent refunding and improvement mortgage bonds, and \$24,550,100 of six per cent promissory notes of the Hudson River Connecting, and, in substitution for the notes last mentioned, \$12,000,000 of first mortgage four per cent bonds, and \$12,549,600 of common stock of the Hudson River Connecting.

**PEORIA & EASTERN.—Annual Report.**—The 1939 annual report of this company shows net income of \$247,376 after interest and other charges, an increase of \$117,565 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	211.44	.....
RAILWAY OPERATING REVENUES	\$2,516,489	+\$201,819
TOTAL OPERATING EXPENSES	1,914,740	+56,401
Operating ratio	76.09	-4.20
NET REVENUE FROM OPERATIONS	601,749	+145,418
Railway tax accruals	177,218	+3,133
Railway operating income	424,530	+142,284
Equipment rents—Net Dr.	142,217	+24,405
Joint facility rents—Net Dr.	67,215	+2,841
NET RAILWAY OPERATING INCOME	215,097	+115,038
Other income	41,437	+2,466
GROSS INCOME	256,535	+117,504
TOTAL DEDUCTIONS FROM GROSS INCOME	9,159	-60
NET INCOME	\$247,376	+\$117,565

**PITTSBURGH & WEST VIRGINIA.—R. F. C. Loan.**—The Reconstruction Finance Corporation has agreed to loan this company \$4,070,000 to enable it to consolidate and fund its entire floating debt. Under the arrangement the Pennroad Corporation will also furnish \$3,000,000 and the Chemical Bank & Trust Company \$330,000. These loans, totaling \$7,400,000, will be used to liquidate the outstanding short-term indebtedness of a like amount.

Chairman Schram of the R. F. C., in a letter to Charles J. Graham, president of the P. & W. V., said that his agency would participate in the refinancing to the

extent of \$4,070,000, which will be secured by new four per cent five-year collateral trust notes. To evidence the consolidated loan the road will issue \$7,400,000 of the new notes.

The R. F. C. offer was made with the express condition that the P. & W. V. would obtain assents from holders of \$2,564,000 of Pittsburgh Terminal Coal Corporation bonds to an extension to July 1, 1952 of the effective date of the road's guaranty of payment of the principal of the bonds which will mature in July, 1942.

**PITTSBURGH & WEST VIRGINIA.—Annual Report.**—The 1939 annual report of this company shows a net income of \$480,212 after interest and other charges, an increase of \$680,427 as compared with the 1938 figure. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$3,670,691	+\$686,252
TOTAL OPERATING EXPENSES	2,418,070	+94,696
NET REVENUE FROM OPERATIONS	1,252,621	+591,556
Railway tax accruals	282,325	+48,049
Railway operating income	970,295	+543,506
Hire of freight cars—Net	149,010	-64,878
Joint facility rents—Net Dr.	25,408	+101
NET RAILWAY OPERATING INCOME	1,076,853	+448,991
Other income	335,760	+238,101
TOTAL INCOME	1,412,613	+687,092
Interest on funded debt	772,458	-8,547
TOTAL DEDUCTIONS FROM GROSS INCOME	932,401	+6,665
NET INCOME	\$480,212	+\$680,427

**TEXAS & PACIFIC.—Abandonment.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to (1) abandon the portion of its so-called Ferriday branch extending from Torras, La., to Ferriday, 48 miles, and (2) to abandon operation under trackage rights of 1.7 miles of line and the use of certain yard tracks and other facilities of the Missouri Pacific at Ferriday.

**UNION PACIFIC.—New Bond Issue.**—A new issue of \$81,602,000 of Union Pacific refunding mortgage 3½ per cent bonds, series A, dated June 1, 1940, and to be due June 1, 1980, was offered publicly by Kuhn, Loeb & Co., New York, and a nation-wide sale group on April 30. This represents the largest railroad bond issue since the Great Northern floated a \$100,000,000 refunding issue in 1935.

As offered, the bonds are priced at 102 and accrued interest to delivery, which represents a yield of approximately 3.41 per cent to maturity. Proceeds of the sale will be used, together with additional funds, for retirement at 107½ plus accrued interest of \$85,902,000 first lien and refunding mortgage 4's and 5's due in 2008. Issue and sale are subject to the approval of the I. C. C.

Of the bonds to be redeemed, there are publicly outstanding \$65,902,000 of 4's (in

addition to \$14,098,000 in the road's treasury) and \$20,000,000 of 5's. The refunding mortgage will be a direct lien on 3,544 mi. of track, subject only to the prior lien of the company's first railroad and land grant mortgage on approximately 2,020 mi. comprising most of the company's main lines, and a subordinate lien on appurtenances to the mortgaged property. It will not be a lien on lands or interest thereon not appurtenant to the mortgaged railroads nor on properties owned by subsidiary companies. The railroad will covenant that its \$100,000,000 of first mortgage and land grant 4's, due 1947, will not be extended but will be paid at maturity. The road also will agree in the mortgage to create a sinking fund, beginning in 1951 of \$430,000 a year, or such smaller amount as may be earned and available after such deductions from net income of the preceding year as is permitted by the refunding mortgage. The sinking fund may be used to retire secured funded debt of the company and to acquire secured funded debt of leased subsidiaries.

The new refunding mortgage is believed to be the largest railroad bond issue offered publicly since 1928, when the St. Louis-San Francisco sold a \$100,000,000 issue of consolidated mortgage 4½'s. The \$100,000,000 refunding issue of the Great Northern of 1935 was subscribed entirely by stockholders and owners of the maturing bonds and was not taken by bankers.

**UNION PACIFIC.—Annual Report.**—The 1939 annual report of this road shows net income of \$18,966,631 after interest and other charges, an increase of \$265,397 over net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$164,253,371	+\$14,040,157
TOTAL OPERATING EXPENSES	117,858,588	+12,127,436
NET REVENUE FROM OPERATIONS	46,394,783	+1,912,720
Railway tax accruals	16,287,608	+993,613
Railway operating income	30,107,175	+919,106
Hire of Equipment—Dr.	9,220,088	+575,921
Joint facility rents	2,397,584	-21,759
NET RAILWAY OPERATING INCOME	20,233,187	+365,796
Other income	13,580,375	-42,969
TOTAL INCOME	33,813,563	+322,826
Interest on funded debt	14,221,975	-41,282
TOTAL FIXED CHARGES	14,846,931	+57,428
NET INCOME	\$18,966,631	+\$265,397

### Average Prices of Stocks and Bonds

	Apr. 30	Last week	Last year
Average price of 20 representative railway stocks..	31.55	31.69	27.10
Average price of 20 representative railway bonds..	59.87	59.65	57.34

### Dividends Declared

Cleveland & Pittsburgh.—4 Per Cent Guaranteed, 50¢, quarterly 7 Per Cent Guaranteed, 87½¢, quarterly, both payable June 1 to holders of record May 10.

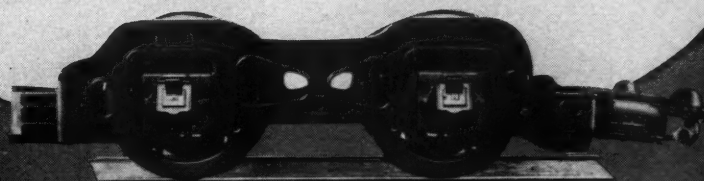
Norfolk & Western.—\$2.50, quarterly, payable June 19 to holders of record May 31.

Reading.—1st Preferred, 50¢, quarterly, payable June 13 to holders of record May 23.

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## Railway Officers

### EXECUTIVE

**E. W. Smith**, vice-president of the Pennsylvania, has been elected president of the Monongahela and the Pittsburgh, Chartiers & Youghiogeny.

**Arthur S. Pierce**, vice-president in charge of the financial office of the Chicago & North Western and Chicago, St. Paul, Minneapolis & Omaha (subsidiary of the C. & N. W.) in New York, has retired after 42 years of service. Mr. Pierce was born on November 26, 1875, at Orrington, Me. He entered railway service on November 1, 1894, with the Central of New Jersey, serving successively in the offices of the vice-president, treasurer and secretary. On May 9, 1898, he became connected with the Chicago & North Western, serving in various positions from junior clerk to cashier. In October, 1911, he was advanced to the positions of assistant



Arthur S. Pierce

treasurer and assistant secretary, and in 1914, he was appointed treasurer and assistant secretary. He relinquished these positions in May, 1930, to become vice-president and assistant secretary.

### FINANCIAL, LEGAL AND ACCOUNTING

**Walter E. Davis**, assistant general auditor of the Atchison, Topeka & Santa Fe, has been elected general auditor, with headquarters as before at Chicago, succeeding **C. E. Betts**, who retired on May 1. Mr. Davis was born at Bala, Kan., on October 21, 1883, and entered railway service with the Santa Fe in July, 1902, in the stores department at Topeka, Kan., where he remained until April, 1904, when he left railway service to become storekeeper of the Federal Lead Company at Flat River, Mo. He returned to the Santa Fe in March, 1905, and served as a clerk in the offices of the motive power accountant and auditor of disbursements at Topeka until March 1, 1909, when he was transferred to the office of the general auditor at Chicago. In April, 1918, he was appointed chief

clerk to the general auditor, which position he held until November, 1926, then being appointed acting auditor of disbursements at Topeka. Mr. Davis was ap-



Walter E. Davis

pointed auditor of disbursements of the Eastern Lines, at Topeka, in December, 1928, and in May, 1933, he was promoted to assistant general auditor.

Mr. Betts was born at Litcham, England, on July 29, 1870, and came to this country in 1888, entering railway service four years later as chief clerk on the Wisconsin Central (now part of the Minneapolis, St. Paul & Sault Ste. Marie). In April, 1907, Mr. Betts entered the service of the Santa Fe as general accountant at Chicago, and from July 1, 1918, to the termination of federal control of the railroads he served as auditor with the same headquarters. On March 1, 1920, he was advanced to assistant general auditor at Chicago, and in May 1933, he was elected general auditor.

**Harry W. Rush**, treasurer and assistant secretary of the Chicago & North Western and the Chicago, St. Paul, Minneapolis & Omaha, with headquarters at New York, has been appointed fiscal representative of those companies, with the same headquarters, succeeding to a portion of the duties of **Arthur S. Pierce**, vice-



Photo by Conway Studios, Inc.

Harry W. Rush

president in charge of the financial offices at New York, whose retirement on May 1, is announced elsewhere in these col-

umns. **Frederick O. Linstead**, local treasurer of the North Western, has been promoted to treasurer, with headquarters as before at Chicago, and **Harry S. Aldridge**, local assistant treasurer, has been advanced to assistant treasurer, with headquarters at Chicago. **Ernest Melander**, local treasurer of the Omaha, with headquarters at St. Paul, has been advanced to treasurer, with the same headquarters, and **Edward Price** has been appointed assistant treasurer of the Omaha, with headquarters at St. Paul. Mr. Rush was born on June 27, 1882, at Glen Gardner, N. J. He was graduated from Woods College, Newark, N. J., in 1901, and entered railway service in April, 1902, with the Central of New Jersey, serving in the office of the general manager. On February 21, 1906, he became connected with the Chicago & North Western and Chicago, St. Paul, Minneapolis & Omaha, as secretary to the treasurer. He held various positions in the treasurer's office until October, 1911, when he was appointed cashier. In October, 1914, he was advanced to assistant treasurer and assistant secretary, in which capacity he served until his promotion to the offices of treasurer and assistant secretary in May, 1930.

**Hershel L. Main** has been appointed commerce counsel of the Delaware, Lackawanna & Western, succeeding **Walter J. Larrabee**, deceased. **Rowland L. Davis, Jr.**, a member of the legal staff of this road, has been appointed assistant general attorney.

### OPERATING

**Alfred R. Pelnar**, general superintendent of freight terminals of the Chicago & North Western, with headquarters at Chicago, retired on May 1, and the position of general superintendent of freight terminals has been abolished. The duties of this position will be assumed by **N. L. Waterman**, superintendent of freight terminals, with headquarters at Chicago.

**A. H. Gass**, district manager in the car service department of the Association of American Railroads, with headquarters at St. Louis, Mo., has been promoted to assistant to chairman, with headquarters at Washington, D. C., to assume special duties as assigned. **R. E. Clark**, district manager at Seattle, has been transferred to St. Louis, succeeding Mr. Gass, and **M. G. Sellman**, resident car service agent, with headquarters at Buffalo, N. Y., has been promoted to district manager at Seattle, succeeding Mr. Clark. **A. G. Warren**, acting district manager, has been appointed district manager, with headquarters as before at Detroit, Mich.

**Perry J. Lynch**, whose promotion to superintendent of transportation of the Union Pacific, with headquarters at Omaha, Neb., was announced in the *Railway Age* of April 6, was born in Helena, Mont., on February 24, 1896, and following a public school education he continued studies of mechanics and railroad transportation by correspondence. He entered the service of the Oregon-Washington Railroad & Navigation Company (part of the Union Pacific System) on July 10, 1910, as an

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## ANGERTAL BRIDGE

### AUSTRIA

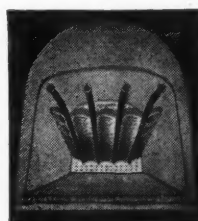
This 400 ft. single span steel structure typifies steel arch construction on the railroads of the Austrian Tyrol. This particular bridge is located on the Tauern Railway in Western Austria, and carries its track at a height of 170 ft. in the center. The Tauern Railroad serves well-known tourist territory. » » » The Austrian Tyrol

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office boy in the office of the car service agent, and subsequently occupied every position in this office, including that of



**Perry J. Lynch**

junction yard clerk, record clerk, passenger car distributor, assistant chief clerk and chief clerk. On July 8, 1931, he was appointed superintendent of car service, with headquarters at Portland, Ore., the position he held until his recent promotion, which was effective April 16. From June, 1917 to December, 1918, Mr. Lynch served in the United States Army, principally at Fort Benjamin Harrison, Ind., where he trained in light railway construction and operation.

**G. R. Haworth**, engineer maintenance of way of the Western Maryland, has been appointed general superintendent, with headquarters as before at Baltimore, Md., succeeding the late **Arthur Williamson**. Mr. Haworth, a native of Philipsburg, Pa., entered railway service in 1905 as rodman on the Centre & Clearfield. In 1906, he became rodman on the Buffalo & Susquehanna, and in 1907, rodman on the Erie, the latter with headquarters in Harnell, N. Y. Later in 1907, he worked as levelman for the city surveyor in New York, and as recorded in the marine survey and dredging department in New York. In 1908, he returned to the Erie as concrete inspector, at Cuba, N. Y. During



**G. R. Haworth**

1909, Mr. Haworth was employed as foreman in the state highway construction department, with headquarters at Pittsburgh,

Pa., and as levelman on the Chicago, Burlington & Quincy. He was appointed transitman in 1910, in charge of a field party for the Chicago, Burlington & Quincy, and later in that year he was employed as surveyor for the United States Engineers. In 1911 he was successively instrumentman for the Western Maryland at West Virginia and resident engineer of the same road, with headquarters at Hagerstown, Md. He was transferred to Baltimore in the latter position in 1912 and in 1914 he was employed as an engineer on the construction of the Johns Hopkins Engineering School. Later in the same year Mr. Haworth returned to the Western Maryland as resident engineer. In 1924 he was appointed division engineer in charge of maintenance and construction of that road, remaining in that position until 1936, when he was appointed engineer, maintenance of way at Baltimore, Md., the position he held at the time of his recent appointment.

### TRAFFIC

**Carl C. Beach**, whose appointment as assistant to the general freight traffic manager of the Union Pacific, with head-



**Carl C. Beach**

quarters at Omaha, Neb., was announced in the *Railway Age* of March 30, was born at Portland, Ore., on November 14, 1891, and entered railway service in 1907 as an office boy in the general freight office of the Union Pacific at Portland. Mr. Beach was promoted through various positions in the freight office at Portland until 1929, when he was made general freight agent, with the same headquarters. In September, 1934, he was promoted to assistant to the freight traffic manager at Omaha, and on March 16, he was advanced to assistant to the general freight traffic manager.

**J. D. Whitmore**, whose promotion to assistant general freight traffic manager on the Union Pacific, with headquarters at Omaha, Neb., was announced in the *Railway Age* of March 30, was born at Valley, Neb., on May 15, 1884, and attended the University of Nebraska. He has been in Union Pacific service the major part of the time since 1900. On July 1, 1917, the position Mr. Whitmore held as livestock

agent was abolished for the duration of federal control, and he left railway service serving as manager of the Valley and



**J. D. Whitmore**

Grand Island stockyards until December 1, 1920, when he returned to the Union Pacific in his former position. He was appointed general livestock agent of the Union Pacific system on January 16, 1933, and was appointed assistant freight traffic manager, with headquarters at Omaha on January 1, 1934, the position he held until his recent promotion.

**Paul F. Echele**, whose promotion to assistant to vice-president-traffic of the Union Pacific, with headquarters at Omaha, Neb., was announced in the *Railway Age* of March 30, was born at Machens, Mo., on June 22, 1892, and attended business college at St. Louis, Mo. He entered railway service on September 1, 1910, in the freight claim department of the Mobile & Ohio at St. Louis, and in April, 1911, he went with the Illinois Central in the traffic department at St. Louis, a short time later going with the Missouri Pacific traffic department at that point. In May, 1915, he was transferred to Chicago, and in March, 1916, to St. Louis. Mr. Echele left railroad service in June, 1918, to become a member of the sales department of the



**Paul F. Echele**

Standard Oil Company of California at San Francisco, Cal., and in April, 1919, he re-entered railway service in the traffic





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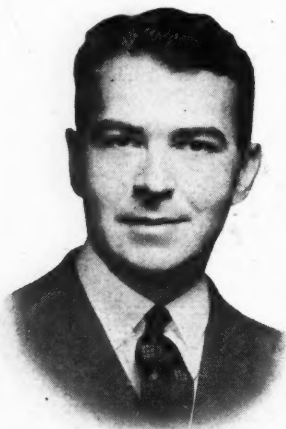
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department of the Southwestern region of the U. S. Railroad Administration at St. Louis. In October, 1919, he went with the Union Pacific as secretary to the vice-president-traffic, with headquarters at Omaha, and in October, 1923, he was appointed office manager of the office of the vice-president-traffic and of the general freight department at Omaha. Mr. Echele was appointed general agent, freight department, at Omaha in May, 1939, the position he held until his recent promotion on March 15.

**Charles T. Carey**, whose promotion to assistant passenger traffic manager on the Union Pacific, in charge of Sun Valley solicitation, with headquarters at Omaha, Neb., was announced in the *Railway Age* of March 30, was born at Omaha on February 27, 1911, and graduated from Cornell University in 1934. He entered railway service on May 6, 1936, as a passenger representative on the Union Pacific at Omaha, and in June, 1937, was appointed traveling passenger representative, with the same headquarters. Mr. Carey was appointed special representative in charge



Charles T. Carey

of Sun Valley solicitation in April, 1938, the position he held until his recent promotion March 16.

**Edgar A. Klippel**, whose promotion to general passenger agent on the Union Pacific, with headquarters at Omaha, Neb., was announced in the *Railway Age* of March 30, was born at Portland, Ore., on April 15, 1895, and attended business and military college in 1916 and 1917. He entered railway service on September 21, 1917, as a machinist helper on the Oregon-Washington Railroad & Navigation Co., (now part of the Union Pacific) at La-Grande, Ore., and in October, 1917, he became a brakeman and later a ticket clerk in the operating department at Portland, Ore. From June 12, 1918, to January 29, 1919, he served in the U. S. Army, returning to the O-W. R. R. & N. Co. on the latter date as a ticket seller. On March 16, 1920, he was promoted to traveling passenger agent at Spokane, Wash., and on August 1, 1922, to traveling freight and passenger agent at that point. Mr. Klippel was appointed freight traffic agent at Portland on May 1, 1923, and on Novem-

ber 16, 1925, he was appointed traveling freight and passenger agent at Bend, Ore. On June 1, 1926, he was promoted to general agent, passenger department at Port-



Edgar A. Klippel

land, and on November 26, 1932, he was advanced to assistant general passenger agent, with headquarters at Salt Lake City, Utah. On January 1, 1934, Mr. Klippel was transferred to Omaha, the position he held until his recent promotion, which was effective March 16.

#### PURCHASES AND STORES

**J. L. Irish**, whose promotion to general storekeeper of the Union Pacific, with headquarters at Omaha, Neb., was announced in the *Railway Age* of April 13, was born at Osage, Iowa, on May 30, 1888, and entered railway service in April, 1904, in the stores department of the Oregon Railroad & Navigation Company (now part of the Union Pacific system), at Starbuck, Wash., serving successively as a laborer, helper and clerk until August, 1910, when he was transferred to the Albina store, Portland, Ore., as a requisition clerk. Mr. Irish was promoted to accountant in June, 1912, and to chief clerk to the general storekeeper in July, 1913.



J. L. Irish

On September 1, 1913, he was appointed storekeeper of the Albina store, and was advanced to general storekeeper of the Oregon-Washington Railroad & Naviga-

tion Company, with headquarters at Albina, in September, 1916. In November, 1930, he was promoted to general storekeeper on the three western districts of the Union Pacific, the Oregon Short Line, the O-W. R. & N. Company, and the Los Angeles & Salt Lake, with headquarters at Pocatello, Idaho. In 1932, his title was changed to assistant general storekeeper and in July, 1934, he was transferred to Omaha, as assistant general storekeeper, the title he held until his recent promotion, which was effective April 1.

#### OBITUARY

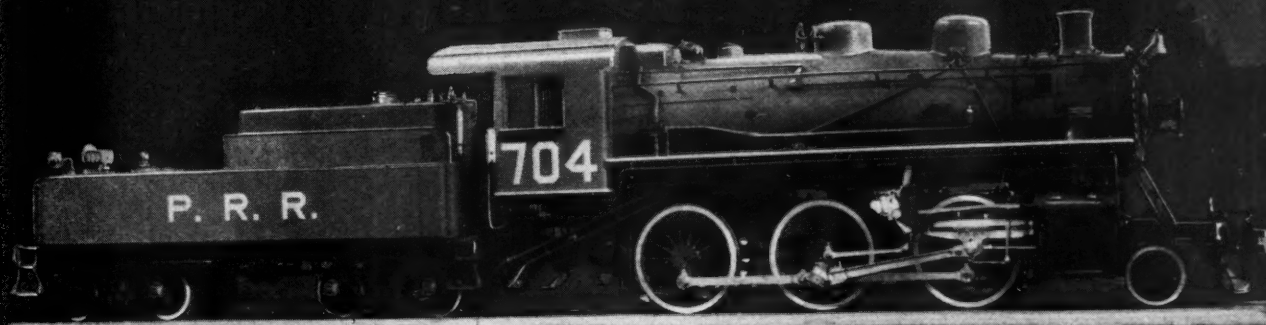
**E. L. McLaurine**, trainmaster on the Illinois Central at Jackson, Miss., was killed on April 22 in a switching accident at Hammond, La.

**Charles W. King**, former secretary-treasurer of the Hudson & Manhattan, died on April 30, after a short illness. He was 63 years old.

**James Kerr McNeillie**, resident vice-president of the Delaware & Hudson, and vice-president of the Napierville Junction (Delaware & Hudson subsidiary), with headquarters at Montreal, Que., whose death was announced in the *Railway Age* of April 27, was born on February 23, 1874, at Toronto, Ont. He attended Collegiate Institute at Lindsay, Ont., entering railway service in 1891 as call boy at the engine house of the Grand Trunk (now Canadian National), then serving as apprentice locomotive fitter and machinist until 1892. Between 1893 and 1895, he completed his apprenticeship at the Point St. Charles shops, Montreal, Que. and held the positions of journeyman fitter and machinist. From 1895 to 1897, he was clerk in the office of the trainmaster at Farnham, Que.; stenographer to the superintendent; and chief clerk to the superintendent, all on the Canadian Pacific. From 1897 to 1903, Mr. McNeillie served as clerk in the office of the general superintendent, with headquarters at Winnipeg, Man.; as chief clerk to the general superintendent; and car service agent of the Canadian Pacific's Western Lines. He was in charge of distribution of passenger train equipment, together with other duties in the car service department at Montreal from 1903 to 1907. He became assistant superintendent of Toronto terminals in 1907 and until 1915 served successively as district superintendent at Toronto, Ont., London, Ont., and Farnham, Que.; superintendent of the Montreal terminals, district superintendent at Montreal, and acting general superintendent of the Eastern lines of the C. P. R. On the latter date he was appointed general superintendent of the Canadian Government Railways (now C. N. R.) at Moncton, N. B., serving in that position until 1917, when he became superintendent of the Susquehanna division of the Delaware & Hudson at Oneonta, N. Y. From 1921 to 1935, Mr. McNeillie was superintendent on the staff of the vice-president and general manager of the same road at Albany, N. Y., and on the latter date he was promoted to resident vice-president, the position he held at the time of his death.



# ALCO *in* PANAMA 1940



Delivered to  
Panama Railroad

Weight on Drivers — 147,000 lb.  
Total Weight, Engines — 168,000 lb.

Cylinders — 18 x 26 in.

Boiler Pressure — 250 lb.

Steam Pressure — 180 lb.  
Horsepower — 35,000

AMERICAN LOCOMOTIVE COMPANY

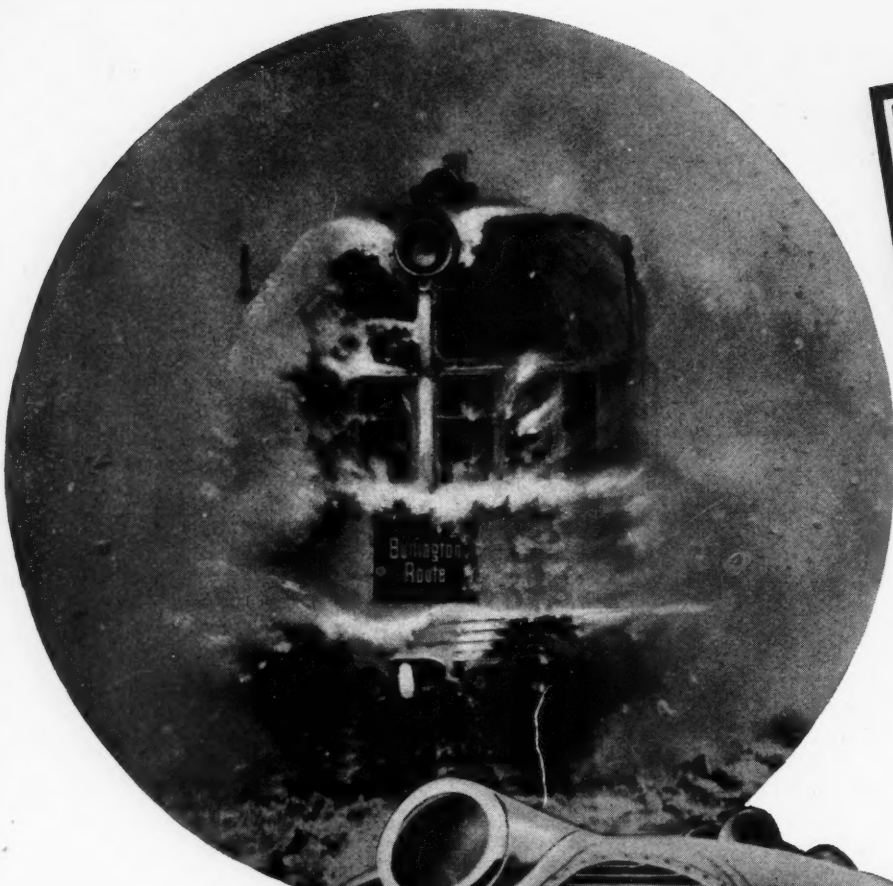
## Freight Operating Statistics of Large Steam Railways—Selected Items for the Month of February.

Region, road, and year	Miles of road operated	Train-miles	Locomotive-miles		Car-miles		Ton-miles (thousands)		Number of road locomotives on line					
			Principal and helper	Light	Loaded (thousands)	Per cent loaded	Gross, excluding locomotives and tenders	Net, revenue and non-revenue	Serviceable		Unserviceable	Per cent un-serviceable		
									Not stored	Stored				
New England Region:														
Boston & Albany.....	1940	362	130,803	135,080	9,360	2,715	65.0	156,272	54,982	59	..	27	31.4	
1939	374	124,159	128,851	9,144	2,505	64.1	144,289	49,542	52	4	34	37.8		
Boston & Maine.....	1940	1,888	278,072	311,671	22,406	8,964	65.8	525,124	191,780	137	..	48	25.9	
1939	1,930	252,915	281,752	22,663	8,322	66.8	483,616	180,075	138	..	90	39.5		
N. Y., New H. & Hartf.....	1940	1,843	330,768	408,356	27,702	10,822	65.1	607,082	223,606	183	14	48	20.6	
1939	1,862	303,504	384,949	27,586	10,299	65.0	572,994	206,661	166	3	102	38.2		
Great Lakes Region:														
Delaware & Hudson.....	1940	846	226,192	302,811	31,907	7,280	61.5	473,664	221,971	130	40	69	28.9	
1939	830	200,068	272,933	30,162	6,707	63.2	432,301	207,730	124	48	80	31.7		
Del., Lack. & Western.....	1940	983	362,617	411,585	56,059	12,164	66.3	728,253	288,593	138	4	64	31.1	
1939	983	317,831	355,039	51,270	10,673	66.5	632,794	249,203	121	5	86	40.6		
Erie (incl. Chi. & Erie).....	1940	2,268	640,943	680,332	40,946	26,869	64.9	1,652,387	657,304	221	33	165	39.4	
1939	2,290	564,442	605,644	35,147	23,891	65.4	1,461,858	575,272	205	31	236	50.0		
Grand Trunk Western.....	1940	1,023	251,915	257,337	1,511	6,830	59.7	434,807	152,270	71	..	29	29.0	
1939	1,027	230,336	233,386	1,850	5,965	61.0	373,541	133,279	68	..	44	39.3		
Lehigh Valley.....	1940	1,265	324,471	360,802	57,172	11,978	64.0	756,838	311,989	127	..	84	39.8	
1939	1,266	291,489	322,338	46,807	10,922	63.6	692,284	285,470	122	3	102	44.9		
New York Central.....	1940	10,565	2,719,861	2,882,076	175,489	86,163	56.9	6,052,300	2,470,814	936	83	344	25.2	
1939	10,613	2,418,868	2,551,256	156,280	76,729	58.1	5,271,765	2,142,785	864	153	425	29.5		
New York, Chi. & St. L.....	1940	1,672	454,202	558,176	7,303	17,886	61.5	1,109,061	410,809	178	..	20	10.1	
1939	1,672	454,202	460,581	6,034	15,630	62.7	961,631	359,447	152	13	33	16.7		
Pere Marquette.....	1940	2,080	369,750	377,810	6,652	9,523	58.2	627,934	225,435	123	1	36	22.5	
1939	2,081	302,972	309,873	6,860	7,978	59.0	526,679	195,992	107	3	52	32.1		
Pitts. & Lake Erie.....	1940	233	75,913	78,678	112	2,786	56.3	248,037	135,665	30	13	22	33.8	
1939	233	54,785	57,754	40	2,263	58.1	191,008	101,675	19	15	37	52.1		
Wabash.....	1940	2,397	561,587	575,827	12,080	17,008	62.6	1,038,265	367,506	150	6	114	42.2	
1939	2,397	501,204	513,036	10,617	15,334	63.8	922,034	325,236	145	6	124	45.1		
Central Eastern Region:														
Baltimore & Ohio.....	1940	6,262	1,460,446	1,804,846	200,311	42,944	59.0	3,055,585	1,347,519	666	134	415	34.2	
1939	6,285	1,214,777	1,499,720	160,160	36,287	60.4	2,532,937	1,115,938	565	152	518	41.9		
Central of New Jersey.....	1940	679	164,181	184,289	33,707	4,794	58.8	348,047	166,222	77	5	74	47.4	
1939	681	135,397	153,321	30,022	4,218	59.3	302,913	144,989	75	1	79	51.0		
Chicago & Eastern Ill.....	1940	925	171,922	172,291	2,360	4,266	62.7	275,452	114,637	59	..	30	33.7	
1939	927	162,918	163,208	2,618	4,084	64.4	260,701	109,021	58	..	36	38.3		
Elgin, Joliet & Eastern.....	1940	390	100,298	101,932	1,649	2,479	56.5	198,569	95,109	60	..	16	21.1	
1939	390	93,578	95,169	1,176	2,188	57.5	174,875	83,655	55	..	26	32.1		
Long Island.....	1940	375	24,376	25,488	15,551	220	50.2	17,388	6,643	35	3	10	20.8	
1939	379	25,904	26,886	15,656	235	51.2	18,606	7,360	36	4	8	16.7		
Pennsylvania System.....	1940	9,964	2,842,780	3,406,915	393,992	100,922	58.8	7,059,688	3,008,417	1,285	265	694	30.9	
1939	9,998	2,405,263	2,938,697	317,053	86,786	59.6	5,982,108	2,553,091	1,158	141	1,032	44.3		
Reading.....	1940	1,443	403,770	447,999	51,339	11,205	58.6	844,049	406,739	222	6	144	38.7	
1939	1,443	351,699	389,581	46,655	9,937	59.4	743,499	357,413	191	6	166	45.7		
Pocahontas Region:														
Chesapeake & Ohio.....	1940	3,046	825,120	875,912	39,061	35,357	54.5	3,009,130	1,615,654	390	46	94	17.7	
1939	3,057	718,908	755,950	33,844	30,255	56.0	2,541,183	1,367,654	357	57	123	22.9		
Norfolk & Western.....	1940	2,169	647,455	689,001	46,596	27,461	57.1	2,302,844	1,211,747	290	30	31	8.8	
1939	2,169	556,591	582,823	33,704	22,935	58.5	1,870,870	976,276	259	60	41	11.4		
Southern Region:														
Atlantic Coast Line.....	1940	5,076	628,438	634,507	8,974	14,277	60.6	851,994	290,806	279	8	36	11.1	
1939	5,082	652,021	654,730	8,932	13,964	58.8	824,845	261,125	256	12	104	28.0		
Central of Georgia.....	1940	1,838	248,788	250,424	3,534	5,220	68.1	305,023	118,993	101	18	15	15.1	
1939	1,838	224,149	226,143	3,321	4,882	70.2	274,928	104,908	89	..	32	26.4		
Illinois Central (incl. Y. & M. V.).....	1940	6,557	1,326,885	1,338,620	27,347	36,096	57.7	2,499,032	1,023,123	595	21	160	20.6	
1939	6,537	1,224,061	1,230,479	23,809	32,141	60.2	2,160,482	897,474	573	16	215	26.7		
Louisville & Nashville.....	1940	4,862	1,157,502	1,252,603	34,553	27,165	57.0	1,995,382	942,354	364	11	119	24.1	
1939	4,916	959,752	1,011,741	27,622	22,389	59.1	1,579,608	751,217	320	1	203	38.7		
Seaboard Air Line.....	1940	4,301	584,356	606,660	5,120	14,324	63.6	879,841	332,417	258	3	53	16.9	
1939	4,305	527,918	545,776	3,597	13,441	61.2	815,948	284,499	228	9	68	22.3		
Southern.....	1940	6,556	1,362,269	1,382,657	21,261	19,357	62.9	1,809,759	722,372	478	2	157	24.6	
1939	6,551	1,204,538	1,222,098	18,390	26,395	64.1	1,592,576	633,109	479	5	178	26.9		
Northwestern Region:														
Chi. & North Western.....	1940	8,324	825,669	850,270	16,556	22,420	59.7	1,476,662	538,080	270	99	263	41.6	
1939	8,380	726,678	746,127	17,792	19,839	63.4	1,246,641	466,216	276	124	300	42.9		
Chicago Great Western.....	1940	1,447	244,707	246,137	6,536	6,609	58.5	433,352	150,870	66	..	22	25.0	
1939	1,450	232,921	233,632	3,215	6,109	59.3	395,754	137,504	65	..	25	27.8		
Chi., Milw., St. P. & Pac.....	1940	10,874	1,164,759	1,206,238	44,222	31,887	59.7	2,109,941	841,170	423	86	153	23.1	
1939	10,934	1,098,360	1,130,875	40,057	28,224	61.3	1,829,857	734,866	418	101	158	23.3		
Chi., St. P., Minneap. & Om.....	1940	1,619	202,538	212,046	9,750	4,528	63.9	284,941	103,187	102	12	19	14.3	
1939	1,619	196,694	207,313	10,072	4,047	63.7	252,501	100,049	105	12	19	14.0		
Great Northern.....	1940	7,974	678,717	672,297	21,437	20,920	62.1	1,386,533	539,496	294	96	143	26.8	
1939	7,976	650,973	644,905	21,757	18,673	63.1	1,218,436	476,621	306	62	170	31.6		
Minneap., St. P. & S. St. M.....	1940	4,261	357,379	362,768	4,138	8,147	63.4	493,558	195,737	112	..	24	17.6	
1939	4,266	319,999	325,701	3,565	6,630	64.9	389,530	150,671	109	1	27	19.7		
Northern Pacific.....	1940	6,423	585,899	613,534	32,781	19,325	67.6	1,179,234	500,673	327	21	97	21.8	
1939	6,423	569,546	603,051	32,516	17,431	69.1	1,068,157	465,288	324	26	99	22.0		
Central Western Region:														
Alton.....	1940	914	197,610	208,636	1,163	3,970	59.5	265,231	92,734	64	9	11	13.1	
1939	914	174,053	182,199	1,180	3,496	68.4	234,312	87,127	53	17	20	22.2		
Atch., Top. & S. Fe (incl. G. C. & S. F. and P. & S. F.).....	1940	13,421	1,623,914	1,733,691	70,954	43,073	60.1	2,791,641	894,948	530	111	201	23.9	
1939	13,475	1,426,642	1,505,541	61,556	36,651	61.9	2,297,568	758,107	523	99	286	31.5		
Chi., Burl. & Quincy.....	1940	8,969	1,091,032	1,120,442	37,914	31,090	61.0	1,986,299	772,786	433	25	97	17.5	
1939	8,899													



## 1940, Compared with February, 1939, for Roads with Annual Operating Revenues Above \$25,000,000

Region, road, and year	Number of freight cars on line			Per cent un-serv-ice-able	Gross ton-miles per train-hour, excluding locomotives and tenders		Net ton-miles per train-mile	Net ton-miles per loaded car-mile	Net ton-miles per car-day	Car-miles per car-day	Net ton-miles per mile of road per day	Pounds of coal per 1,000 gross ton-miles, including locomotives and tenders	Loco-motive-miles per locomotive-day	
	Home	Foreign	Total		Gross ton-miles per train-hour, excluding locomotives and tenders	Net ton-miles per train-mile								
New England Region:														
Boston & Albany.....	1940	905	4,901	5,806	1.9	19,859	1,210	426	20.3	319	24.3	5,237	175	62.7
	1939	1,006	4,165	5,171	2.7	18,700	1,184	407	19.8	331	26.1	4,731	174	58.8
Boston & Maine.....	1940	5,243	7,498	12,741	5.3	26,396	1,896	692	21.4	529	37.6	3,503	108	67.3
	1939	6,875	7,945	14,820	9.4	26,112	1,917	714	21.6	422	29.2	3,332	110	51.8
N. Y., New H. & Hartf.....	1940	6,865	12,040	18,905	2.8	27,462	1,868	688	20.7	417	31.0	4,184	117	67.5
	1939	7,893	10,944	18,837	10.1	28,342	1,922	693	20.1	381	29.2	3,964	110	58.4
Great Lakes Region:														
Delaware & Hudson.....	1940	8,269	3,505	11,774	3.7	31,996	2,105	987	30.5	675	36.0	9,047	127	50.7
	1939	7,633	3,394	11,027	5.0	31,555	2,174	1,044	31.0	671	34.3	8,938	123	46.4
Del., Lack. & Western.....	1940	10,879	6,481	17,360	7.4	34,725	2,029	804	23.7	565	35.9	10,124	148	81.7
	1939	12,753	6,458	19,211	17.5	35,626	2,015	794	23.3	460	29.6	9,054	146	71.9
Erie (incl. Chi. & Erie).....	1940	16,065	12,715	28,780	3.7	43,727	2,598	1,033	24.5	787	49.6	9,994	108	65.5
	1939	18,049	11,584	29,633	4.5	42,982	2,615	1,029	24.1	697	44.3	8,972	107	54.0
Grand Trunk Western.....	1940	4,091	6,444	10,535	7.3	34,331	1,731	606	22.3	498	37.4	5,133	103	95.0
	1939	4,880	6,035	10,915	15.5	31,810	1,628	581	22.3	417	30.6	4,635	107	81.4
Lehigh Valley.....	1940	9,487	10,008	19,495	2.6	43,712	2,378	980	26.0	523	31.4	8,505	125	73.1
	1939	10,930	8,544	19,474	8.0	44,123	2,401	990	26.1	506	30.4	8,053	123	61.0
New York Central.....	1940	84,089	53,757	137,846	13.1	37,002	2,241	915	28.7	614	37.7	8,064	111	87.0
	1939	92,408	58,667	151,075	16.9	36,417	2,199	894	27.9	516	31.8	7,211	112	75.4
New York, Chi. & St. L.....	1940	6,780	7,902	14,682	2.3	37,535	2,018	748	23.0	957	67.8	8,472	100	105.3
	1939	7,192	7,297	14,489	4.2	39,387	2,120	793	23.0	884	61.3	7,678	97	90.3
Pere Marquette.....	1940	8,769	7,208	15,977	4.2	29,479	1,705	612	23.7	494	35.9	3,737	106	89.8
	1939	10,129	6,155	16,284	3.9	29,609	1,743	649	24.6	429	29.6	3,364	104	77.5
Pitts. & Lake Erie.....	1940	13,286	4,710	17,996	30.3	43,753	3,272	1,790	48.7	270	9.9	20,078	100	46.3
	1939	9,324	7,233	16,557	37.9	46,587	3,487	1,856	44.9	214	8.2	15,585	102	31.7
Wabash.....	1940	11,540	8,829	20,369	10.3	38,228	1,865	660	21.6	599	44.3	5,287	128	79.1
	1939	13,703	9,125	22,828	10.6	38,468	1,854	654	21.2	507	37.4	4,846	131	71.4
Central Eastern Region:														
Baltimore & Ohio.....	1940	55,545	22,204	77,749	5.9	28,490	2,123	936	31.4	594	32.1	7,420	155	60.7
	1939	59,657	19,915	79,572	20.5	28,758	2,117	933	30.8	503	27.1	6,341	152	51.6
Central of New Jersey.....	1940	9,699	11,416	21,115	23.1	28,317	2,242	1,071	34.7	264	12.9	8,442	144	61.8
	1939	9,912	11,067	20,979	29.4	28,843	2,355	1,127	34.4	245	12.0	7,604	136	55.1
Chicago & Eastern Ill.....	1940	2,914	3,189	6,103	7.4	28,977	1,609	670	26.9	639	37.9	4,274	137	70.5
	1939	3,179	3,095	6,274	3.3	28,743	1,614	675	26.7	624	36.3	4,200	137	66.8
Elgin, Joliet & Eastern.....	1940	8,642	4,016	12,658	4.4	17,109	2,028	919	38.4	234	10.8	8,409	135	68.5
	1939	8,582	3,267	11,849	7.0	17,005	1,921	919	38.2	246	11.2	7,661	128	61.1
Long Island.....	1940	133	3,184	3,317	1.1	5,290	728	278	30.2	69	4.5	611	384	44.1
	1939	285	3,122	3,407	4.8	5,541	741	293	31.3	74	4.6	694	349	46.4
Pennsylvania System.....	1940	189,404	57,837	247,241	15.2	36,462	2,529	1,078	29.8	420	23.9	10,411	124	64.7
	1939	199,537	46,369	245,906	21.3	38,015	2,525	1,078	29.4	369	21.0	9,120	121	55.5
Reading.....	1940	24,192	14,254	38,446	18.8	26,999	2,098	1,011	36.3	364	17.1	9,720	148	52.6
	1939	25,669	10,598	36,267	24.3	27,309	2,124	1,021	36.0	350	16.4	8,846	141	47.6
Pocahontas Region:														
Chesapeake & Ohio.....	1940	47,338	8,725	56,063	1.9	51,764	3,694	1,983	45.7	1,038	41.7	18,290	86	67.3
	1939	46,382	9,006	55,388	3.0	52,030	3,562	1,917	45.2	888	35.1	15,972	83	57.6
Norfolk & Western.....	1940	41,420	4,764	46,184	2.3	54,382	3,608	1,898	44.1	958	38.0	19,264	102	78.2
	1939	38,816	4,516	43,332	7.3	52,452	3,399	1,774	42.6	804	32.3	16,075	103	66.5
Southern Region:														
Atlantic Coast Line.....	1940	14,512	8,420	22,932	16.1	24,142	1,358	463	20.4	440	35.6	1,976	120	73.2
	1939	15,648	8,508	24,156	17.3	23,381	1,267	401	18.7	375	34.1	1,835	111	68.3
Central of Georgia.....	1940	4,947	2,647	7,594	2.5	24,124	1,235	482	22.8	551	35.5	2,232	130	79.5
	1939	5,160	2,549	7,709	2.1	23,928	1,230	469	21.5	484	32.1	2,038	124	73.3
Illinois Central (incl. Y. & M. V.).....	1940	29,474	14,571	44,045	3.1	31,066	1,902	779	28.3	765	46.8	5,381	147	64.1
	1939	29,209	13,719	42,928	5.1	28,647	1,777	738	27.9	739	44.0	4,903	149	58.2
Louisville & Nashville.....	1940	40,792	10,197	50,989	9.7	26,235	1,726	815	34.7	681	34.5	6,683	144	94.2
	1939	40,936	8,012	48,948	19.0	25,570	1,648	784	33.6	546	27.5	5,458	131	74.7
Seaboard Air Line.....	1940	11,645	6,898	18,543	4.3	25,843	1,526	577	23.2	611	41.4	2,665	132	77.1
	1939	11,929	5,238	17,167	4.2	26,814	1,566	546	21.2	584	45.1	2,360	120	71.3
Southern.....	1940	22,426	19,555	41,981	6.4	22,777	1,340	535	24.6	598	38.6	3,799	155	79.0
	1939	22,751	17,990	40,741	10.1	22,948	1,330	529	24.0	554	36.0	3,400	147	68.2
Northwestern Region:														
Chi. & North Western.....	1940	32,605	18,109	50,714	9.8	28,709	1,836	669	24.0	356	24.9	2,229	130	51.5
	1939	38,069	17,738	55,807	10.3	27,548	1,774	663	23.5	302	20.2	1,987	138	42.6
Chicago Great Western.....	1940	2,392	2,922	5,314	1.4	32,904	1,774	617	22.8	929	69.5	3,595	133	106.4
	1939	2,345	2,860	5,205	2.2	30,729	1,703	592	22.5	933	70.0	3,387	147	98.4
Chi., Milw., St. P. & Pac.....	1940	45,169	16,335	61,504	2.7	29,886	1,819	725	26.4	466	29.6	2,667	131	71.0
	1939	46,263	16,472	62,735	2.7	27,098	1,674	672	26.0	422	26.4	2,400	137	67.3
Chi., St. P., Minneap. & Om.....	1940	3,862	4,729	8,591	6.1	19,861	1,418	513	22.8	395	27.1	2,198	122	62.5
	1939	3,604	5,187	8,791	9.7	17,280	1,294	513	24.7	397	25.2	2,207	139	60.4
Great Northern.....	1940	34,310	9,671	43,981	6.3	32,128	2,049	797	25.8	435	27.1	2,333	123	49.1
	1939	38,256	8,671	46,927	10.6	27,932	1,887	738	25.5	366	22.7	2,134	143	48.2
Minneap., St. P. & S. St. M.....	1940	12,169	3,580	15,749	4.6	23,642	1,381	548	24.0	427	28.0	1,584	113	94.7
	1939	13,054	3,422	16,476	6.1	19,811	1,222	473	22.7	329	22.3	1,261	127	84.2
Northern Pacific.....	1940	29,468	5,685	35,153	9.7	32,267	2,020	858	25.9	497	28.4	2,688	144	54.7
	1939	31,617	5,335	36,952	10.1	29,151	1,883	820	26.7	453	24.6	2,587	157	54.9
Central Western Region:														
Alton.....	1940	1,625	5,431	7,056	5.8	33,830	1,350	472	23.4	459	33.0	3,499	141	89.3
	1939	1,866	5,031	6,897	12.8	32,570	1,359	505	24.9	447	30.8	3,404	142	76.3
Atch., Top. & S. Fe (incl. G. C. & S. F. and P. & S. F.).....	1940	73,688	9,611	83,299	11.7	34,979								



# Burlington Route

## Here's the Record

Denver Zephyr Train No. 1 Chicago to Denver "On-Time" at Denver 28 days out of 29. This delay due to steam train ahead with broken headlight bulb.

Denver Zephyr Train No. 10 Denver to Chicago "On-Time" at Chicago 27 days out of 29. One delay due to freight train ahead with brake beam down. One delay on account of detour due to bad weather conditions.

